



# ***Daily Report***

## **China**

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**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### Li Lanqing Europe Tour Promotes 'Vigorous' Trade

HK2705115991 Hong Kong WEN WEI PO  
in Chinese 27 May 91 p 2

["Special article" by Hsia Yu (1115 7183): "China Vigorously Promotes Foreign Trade"]

[Text] Beijing, 26 May (WEN WEI PO)—Following General Secretary Jiang Zemin's visit to the Soviet Union and the dispatch of a large purchasing team to the United States this month, Li Lanqing, Chinese minister of foreign economic relations and trade, is visiting Spain, Italy, Hungary, Czechoslovakia, Yugoslavia, and Poland. Observers here said this series of actions indicates that China is adopting more vigorous, flexible, active, and effective measures to promote the development of its foreign economic relations and trade.

Since the beginning of this year, China's import and export trade has grown steadily. According to the latest customs statistics, the total import and export volume in April was \$10.487 billion, an increase of 13.1 percent over the same period last year. Of this, the export volume was \$5.282 billion, up 10 percent over the same period last year; the import volume was \$5.204 billion, up 20.9 percent over the same period last year, or 10.9 percentage points higher than the growth of export.

### Prospects for Sino-U.S. Cooperation Are Very Good

Data shows that between January and April this year, the total value of imports and exports was \$35.014 billion, increasing by 17.2 percent over the same period last year. Moreover, according to statistical figures provided by the State Administration of Exchange Control, the balance of the state's spot and foreign exchange by mid-April was \$16.722 billion, an increase of \$5.684 billion compared with the end of last year. Of this, trade income rose by \$4.953 billion.

Needless to say, developing foreign economic relations and trade plays an important promoting role in China's economic growth, reform, and opening up. China attaches great importance to its economic and trade relations with the United States. According to Sun Zhenyu, director of the U.S. and Oceanian Affairs Department of the Ministry of Foreign Economic Relations and Trade (deputy head of the purchasing team visiting the United States), the objective of the team is to expand imports from the United States to China and further stimulate the development of bilateral trade and cooperation. This once again shows the Chinese Government's sincerity and determination to reverse the falling trend in imports from the United States and its desire to further strengthen Sino-U.S. economic and trade relations. The purchasing team will also have extensive contacts with the U.S. Government and people in industrial and business circles to explore ways and methods to further expand economic and trade exchanges.

Before departing for the United States, Sun Zhenyu also indicated that there are many areas in which China and the United States can complement each other, for both need each other in trade. China wants to attain the objectives of the 10-Year Program and the Eighth Five-Year Plan, and there are many projects in which American businessmen can join in competition, such as the exploitation of Tarim Oilfield, the construction of telecommunications projects, power stations, trunk line aircraft, and so on. Moreover, whether in the long or short term, China needs U.S. products, such as high technology, equipment, grain, chemical fertilizer, and timber. The demand for some of them is also very large. Therefore, the prospects for Sino-U.S. economic and trade cooperation are very broad.

### Border Trade Continues To Develop

Meanwhile, China also seeks to develop economic and trade relations with European countries. Of the countries visited by Li Lanqing, in addition to Yugoslavia, Spain, and Italy, China has also conducted spot exchange trade with Hungary, Czechoslovakia, and Poland in 1990 and 1991. A person from the Ministry of Foreign Economic Relations and Trade said that, in line with demand and possibility, China will also develop economic and trade relations with European states in a more flexible way, such as carrying out contratrade [dui xiao mao yi 1417 6906 6319 2496], barter trade, and compensatory trade, setting up joint ventures and wholly owned enterprises, and cooperating in production.

China likewise attaches importance to developing economic and trade relations with East European countries and border trade with neighboring states. To this end, the State Council has revised some regulations which are detrimental to the development of foreign economic relations, trade, and border trade. It has also extended the competence of some border cities so that they can independently do some business and make investments. It is learned that border trade has started with Heihe and Suifenhe in Heilongjiang Province and has continued to expand.

Moreover, decisionmakers in economic and trade circles are already aware of the need to develop export, readjust strategy, change the previous practice of relying on quantity rather than quality to win victory, increase the export of commodities with high added value, and strive to improve the quality and grade of export products.

On the other hand, the new foreign trade structure instituted early this year has begun to play a positive role, and the chaotic phenomena characterized by "driving up prices, engaging in rush purchasing, and competing to sell at low prices" have been considerably reduced. Moreover, some new measures for reforming foreign trade structure will also be introduced. On the basis of the readjusted exchange rates of the renminbi, China will try to institute a system under which foreign trade enterprises are responsible for their profits and

losses and integrate industry with commerce, and practice an agency system so that foreign trade can make great headway.

### Harbin To Host Soviet, E. European Trade Talks

HK2705093591 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0637 GMT 20 May 91

[Dispatch: "Intense Preparations Going On for Second Round of Economic, Trade Talks With Soviet Union, East European Countries"—ZHONGGUO XINWEN SHE headline]

[Text] Shenyang, 20 May (ZHONGGUO XINWEN SHE)—Intense preparations are presently going on for the 1991 "economic and trade talks between China and the Soviet Union and East European countries."

It was learned that the talks will be held as scheduled in the famous northeastern Chinese city of Harbin from 15 to 24 June. Sources claimed that some 8,000 Chinese and foreign businessmen may be expected to come to Harbin for the event.

These economic and trade talks, which are directed primarily at Soviet and East European businessmen, will concentrate on negotiations concerning barter transactions and various flexible forms of economic and trade cooperative venture with barter transactions as the essential feature.

At present, preparations regarding relevant matters concerning the talks have been completed. All the more than 800 stalls set up for local clients in the 14,000-square-meter exhibition hall have been taken, while exhibition items have arrived in Harbin from all parts of the country. They will be put on display tomorrow. Some stalls also have been reserved by foreign businessmen. Organs like commercial inspection, transport, insurance, plant quarantine, banks, and customs also have set up offices inside the hall in order to provide all kinds of services to the local and foreign businessmen.

On the Chinese side, seven trading groups from northeast, north, northwest, east, south, and southwest China; and industrial trade companies, along with 76 branches and 128 companies, will take part in the talks. In particular, an economic and technical cooperation and trade delegation made up of 32 companies will concentrate on negotiations with foreign businessmen regarding economic and trade cooperation, labor export, contracting of construction projects, and other items. At the same time, an official delegation from the Soviet Union also is expected.

### Chen Jinhua on Promoting Asia-Pacific Cooperation

OW2705120491 Beijing XINHUA in English  
1135 GMT 27 May 91

[Text] Beijing, May 27 (XINHUA)—China is willing to do its best to promote economic development and cooperation in the Pacific region, Chen Jinhua, Chinese

minister in charge of the State Commission for Restructuring Economy, said here today.

Speaking at the 19th Pacific Trade and Development Conference (PAFTAD) opening ceremony, Chen noted that two noticeable phenomena have emerged in today's international business environment: globalization and regionalization.

"Such changes have brought severe challenges to the Pacific region in terms of economic development and cooperation," he said, citing the U.S.-Canada Free Trade Agreement and the future European united market in 1992.

However, he said that he believes the Pacific region has its advantages and that there is great potential for further cooperation among the countries of the region.

The reform and opening have put China onto the international economic stage. "We are willing to do our best to promote the economic development and cooperation of the countries and regions in the Pacific," said the minister.

He did not elaborate on what China is going to do in his five-minute speech, yet observers here said that his words indicate that Beijing is paying more attention to its economic relations with the Pacific region.

Over 100 experts from 18 countries attended the ceremony. They will discuss China's economic reform and development and its relations with the Pacific region during the four-day meeting.

PAFTAD is a non-governmental organization initiated by scholars from Australia, Japan and New Zealand in the early 1970s. Its purpose is to enhance the exchange of experiences and facilitate economic and trade relations among the Pacific countries and regions. The theme of the current meeting is "Economic Reform and Internationalization: China and the Pacific Region".

The conference carries with it great influence and is attracting the interest of more and more academics and governments in the Pacific region, according to Liu Guoguang, vice-president of the Chinese Academy of Social Sciences.

The Chinese Academy of Social Sciences has participated in the conference since 1979 and is hosting this meeting.

### Paper Laments Postwar World Economic Trends

HK2405121491 Beijing RENMIN RIBAO in Chinese  
15 May 91 p 7

[Article by Li Hong (2621 4767): "Trends of World Economy After Gulf War"]

[Text] The gunsmoke of the Gulf war has gradually dissipated. Now people can see more clearly the influence of the Gulf crisis on the world economy and certain trends in the world's current economic development.

The Gulf crisis has brought about economic recession to some Western developed countries and slowed down the



economic growth of others. After the Gulf war, oil prices dropped and confidence toward consumption strengthened. These, plus such factors as rebuilding the Gulf countries, brought about some favorable conditions to the Western economy. However, due to more profound reasons, it is difficult for the Western developed countries to thoroughly turn back the tide of economic sluggishness. The United States finds it difficult to achieve economic recovery. The unemployment rate increased from 5.3 percent last summer to 6.6 percent last month. The quantity of residential housing under construction in the first quarter of this year decreased 37 percent over the same period last year. As there is sagging consumer expenses, a decrease in the influx of foreign funds, the budget deficit remains high, and difficulty in enterprise funding, some people think that even if the U.S. economy picks up in the second quarter, its recovery will be very slow. This is because the U.S. economic recession is caused not only by high interest rates and oil price hikes, but also reflects the gradual accumulation and concentration of various key contradictions. In particular, this is the consequence of the accumulation of U.S. public and private debts, low productivity, and the weaknesses in the banking sector in the 1980's. In the 1980's, the U.S. GNP increased 29 percent, but consumer expenses increased 33 percent. Public and private debts totalled almost \$13 trillion, 240 percent of the country's GNP.

The economic growth of West European countries will continue to drop this year. In the EC economic report released in March, the expected economic growth for this year was adjusted to less than 2 percent. Such a condition in the EC economy has been caused by such factors as a slowdown in the world's economic growth, a tight-money policy practiced by its member countries, and a decrease in enterprise investment. In addition, the various economic indicators of Canada's current recession are not so optimistic either. Japanese economic growth is also slower than before.

The Gulf crisis and war have exerted a great impact on the economy of most developing countries. During the Gulf crisis, oil prices skyrocketed, aggravating inflation in most developing countries. The collapse of the international contracting and labor market in the Middle East has led to almost a million laborers fleeing the Middle East and has led to serious economic losses for many developing countries. Some "front-line countries" around the Gulf bore the brunt. According to reports from some British nongovernmental organizations, because of the Gulf war, the GNPs of numerous poor countries has dropped over 1 percent; that of 16 countries has fallen by 2 percent; and the GNPs of countries being worst affected, such as Jordan, Yemen, and Sri Lanka, have fallen by as much as 25 percent.

Due to the Gulf crisis and war, the economic gap between the North and South has further widened and the economic situation in developing countries has become even more difficult. To shift the financial crisis, Western developed countries continue to take advantage

of the irrational international economic order to increase the prices of industrial manufactured products, suppress the prices of primary products, and practice trade protectionism. Internationally, the interest rates stand at a high level. At present, the developing countries' total foreign debts has reached \$1.341 trillion. For every 1 percent increase in interest rate, the developing countries will have to pay an additional interest of over \$10 billion annually. As a result of a shortfall in funds on the international market, the developing countries find it even more difficult to get funds. The developed countries' conditions for extending aid are even harsher. Some Western countries take into account as conditions for aid whether or not the aid recipients accept Western concepts of values, and practice market economics and political pluralism, thereby interfering in these countries' internal affairs.

The Gulf crisis and war have created a sense of urgency to strengthen regional economic cooperation among many countries. Shortly after the conclusion of the Gulf war, the EC immediately convened a special summit to sum up experiences and lessons from the Gulf crisis. To speed up its construction, apart from accelerating the building of a unified market economically, the EC should also give an impetus to the process of integration in terms of defense and foreign policies.

Creation of regional groupings in America is also accelerating. Mexico is expediting negotiations on setting up free trade zones with the United States and Canada. The Andes Group has decided to set up by the end of this year a free trade zone for the complete free flow of commodities. Argentina, Brazil, Uruguay, and Paraguay signed the Asuncion Treaty last March, stipulating that Latin America's Southern Cone Common Market will be set up by the end of 1994. This is an important step toward economic regional integration among Latin American countries.

All economic entities in the Asia-Pacific region have also quickened the pace of mutual cooperation. Because of the Gulf crisis, Japan has attached more importance to the establishment of an energy base in the Asia-Pacific region and to cooperation with the Asia-Pacific region. There is also increased cooperation among ASEAN countries. The Malaysian prime minister has forwarded a proposal to set up an Asian free trade zone.

Africa suffered great losses during the Gulf crisis. The OAU Council of Ministers forwarded a proposal to set up an African Economic Community. It is expected that this proposal will be passed at the OAU summit in June this year. Economic regional groupings are a strong trend. Their development is inseparable from the drastically changing international economic and political situation.

After the Gulf war, the situation of the supply of international funds falling short of demand has further intensified. According to an estimate by a Western financial observer, the shortfall in world capital after the Gulf war

is \$350-\$400 billion, three times as much as the world's shortfall in the early 1980's.

First of all, this immense shortfall of funds stems from the long-term big financial and foreign trade deficits of the United States. In the past, the U.S. shortfall was remedied by Japanese and German capital. Now, Japan and Germany are continuously withdrawing funds from the U.S. market. With the unification of the two Germany's, Germany itself is in a straitened financial situation and can no longer play the role of a "capital-exporting country." Japan has tightened its money supply, increased its interest rates, and reduced its surplus and capital exports. Besides, according to World Bank statistics, the East European countries need \$23 billion this year. Vast amounts of petrodollars flowed from the Gulf region into the international financial market in the past. For example, after the second oil crisis, there was a sharp increase in the revenue of oil-producing countries in the Middle East and the amount of petrodollars flowing abroad exceeded \$700 billion at that time. The Gulf war has spurred an even greater demand for funds for the reconstruction of Gulf countries. A financial deficit has even appeared recently in Saudi Arabia, the richest oil-producing country. Several hundred billion dollars are required for the reconstruction of Kuwait and Iraq. Most developing countries also badly need funds as a result of reduced prices of primary products, decreased revenues, and heavy debt burdens.

#### Cheney Outlines NATO Rapid Reaction Force

OW2705091191 Beijing XINHUA in English  
0108 GMT 27 May 91

[Text] Bonn, May 26 (XINHUA)—United States Defense Secretary Richard Cheney said Saturday that Germany's army should be allowed to participate in military actions outside North Atlantic Treaty Organization territory.

Cheney said in an interview with the German newspaper WELT AM SONNTAG that Japan's military forces should also be allowed a wider role.

Although they provided funds and other material assistance, neither Germany nor Japan were able to send troops to take part in the Gulf war because of clauses in their postwar constitutions which forbade such an action.

They should be allowed to play a greater role in this type of conflict than they had in the past, said Cheney.

Different views from NATO members should be considered.

Cheney announced that the new NATO concept proposed the establishment of a rapid reaction force which could be used outside NATO territory.

If they wanted to participate in the force, the Germans must "in principle" take part in military action outside NATO territory, he pointed out.

He warned that the Soviet Union was still the largest threat against peace in Europe, because of declining state authority in that country.

"We are probably in a time when the Soviets cannot control the situation in their territory, which constitutes a great threat against the security in East European countries," said Cheney.

The U.S. defense secretary arrives in Paris today to attend discussions on NATO's future and the security in the Middle East. He then heads for Brussels for a NATO conference, and then for Israel and Egypt.

#### Reports on UN Peace Plan for Afghanistan

##### Pakistan Welcomes Plan

OW2405100591 Beijing XINHUA in English  
0934 GMT 24 May 91

[Text] Islamabad, May 24 (XINHUA)—Pakistan has announced that it welcomes the five-point plan presented by the secretary general of the United Nations for a political settlement in Afghanistan.

A spokesman for Pakistan Foreign Office told Pakistan press on May 23 that Pakistan has consistently called for a political settlement in Afghanistan acceptable to the Afghan people and has supported the U.N. resolutions on the subject.

The spokesman noted that the U.N. secretary general's proposal contained the elements essential to promoting a political settlement in Afghanistan.

U.N. Secretary General Perez de Cuellar on May 21 outlined five points to serve as a basis for settlement in Afghanistan:

- To preserve political independence and non-aligned and Islamic character of Afghanistan
- To recognize the right of the Afghan people to determine their own form of government and to choose their economic, political and social system free from outside intervention
- The need for a transitional period, details of which to be agreed upon through an inter-Afghan dialog, leading to the establishment of a broad-based government
- To end arms supplies to all Afghan sides by all and
- To create necessary conditions for the voluntary repatriation of Afghan refugees as well as for the economic and social reconstruction of Afghanistan.

According to reports reaching here today, head of the Kabul regime Najibullah has accepted the U.N. peace plan, saying that his government was determined to sort out the Afghan problem through peaceful ways and ready to extend every sort of cooperation with the United Nations for implementing the peace plan in and outside Afghanistan to bring an end to the ongoing war.

Meanwhile, the local press reported today that head of the Afghan Interim Government (AIG) of mujahidin

based in Pakistan S. Mojadeddi has said that they have no objection over the transition government headed by Kabul ruler Najibullah with an international guarantee that he (Najibullah) will hold elections in two or three months and after holding of the said polls, Najib will hand over rulership to an elected government.

The AIG leader said on May 22 in Peshawar, Pakistan, that the Afghan resistance leaders would not form a transition government under the leadership of Najib alone but such government could be formed with former Afghan bureaucrats, neutral personalities and independent Afghans living outside or inside Afghanistan.

However, two leading mujahidin leaders, Gulbuddin Hikmatyar and Rasul Sayaf, have rejected the U.N. peace plan.

Gulbuddin Hikmatyar said the plan is unrealistic and therefore unacceptable to the Afghan mujahidin. There could never arise the question of talking to the Kabul regime or its inclusion in the U.N. envisaged interim setup, he said.

#### Roundup on Pakistani Initiative

OW2805104191 Beijing XINHUA in English  
1011 GMT 28 May 91

["Roundup: Pakistani Diplomatic Efforts To Get U.N. Peace Plan on Afghanistan Move (By Ge Xiangwen, Wu Dingbao)"]—XINHUA headline]

[Text] Islamabad, May 28 (XINHUA)—Pakistan has taken up the U.N. peace initiative on Afghanistan and made active diplomatic efforts to get the five-point U.N. peace plan move by sending missions abroad to persuade parties concerned to support the plan.

The five-point peace plan was announced by U.N. Secretary General Perez de Cuellar on May 21.

Secretary General of the Pakistan Foreign Ministry Akram Zaki visited Saudi Arabia and Iran, two other major supporters of the Afghan mujahidin (Muslim guerrillas), last week.

Back in Islamabad, Akram Zaki said that he was assured by the Iranian and Saudi Governments that they would support Pakistan in its peace moves. Pakistan and Iran had agreed to make joint efforts to bring the Afghan mujahidin based in Pakistan and those based in Iran together.

With their initiative, representatives of Iran-based mujahidin under the umbrella of "Wahdat-e Eslami" (Unity Party) would come to Pakistan soon to discuss with Pakistan-based mujahidin groups to form a common forum. The U.N. peace plan is on the agenda of their talks expected early next month.

Pakistan has also sent Director General of the Foreign Office Riaz Khan to Moscow to invite the Soviet Union,

another major party in the Afghan conflict, into the peace process and is expecting favorable response from the Soviet side.

Officials in the Pakistan capital said that if there is any headway in Riaz's visit, Moscow's higher-ranking officials will be invited to Islamabad for further talks.

The five-point peace plan announced by the U.N. secretary general last Tuesday includes the following guidelines:

To preserve political independence and non-aligned and Islamic character of Afghanistan;

To recognize the right of the Afghan people to determine their own form of government and to choose their economic, political and social system free from outside intervention;

(To acknowledge) the need for a transitional period, in which a credible and impartial transition mechanism with appropriate powers be established and free and fair elections be held, taking into account Afghan traditions, for the establishment of a broad-based government;

To end arms supplies to all Afghan sides by all; and

To create necessary conditions for the voluntary repatriation of Afghan refugees as well as for the economic and social reconstruction of Afghanistan.

Head of Kabul regime Najibullah has said his government is ready to extend cooperation with the United Nations for implementing the peace plan in and outside Afghanistan to bring an end to the ongoing war in Afghanistan.

Pakistan, a host country for more than three million Afghan refugees and supporters of the Afghan guerrillas, has welcomed the peace plan, saying that it contains the elements essential to promoting a political settlement in Afghanistan.

The United States, a major supporter of the Afghan guerrillas, has also accepted the plan, terming it as a step on the path toward a political settlement in Afghanistan.

The Afghan mujahidin groups, who had fought the Soviet forces in Afghanistan (during the years of Soviet invasion of Afghanistan from 1979 to 1989) and later the Kabul regime for the past twelve years, were divided on the U.N. peace plan.

President of the Afghan Interim Government (AIG) of Pakistan-based mujahidin S. Mojadeddi, backed by several mujahidin parties, has accepted the plan conditionally.

Mojadeddi said they have no objection to the transition government headed by Kabul ruler Najibullah with an international guarantee that Najibullah will hold elections in two or three months, and after holding of the said polls, Najib will hand over power to an elected government.

However, the AIG Prime Minister Rasool Sayyaf, backed by another mujahidin leader Gulbuddin Hikmatyar, rejected the plan, terming it as unrealistic and unacceptable to the Afghan mujahidin and said they



would never talk to the Kabul regime and be included in the U.N. envisaged interim setup.

Pakistan Secretary General Akram Zaki has warned against expecting an imminent breakthrough. "This is a process, not an event," he said.

Observers here believe that chance for peace in Afghanistan has been brightened but it has not become something within the reach. It still requires time, patience and more endeavors, and frustrations and setbacks of the U.N. initiative cannot be ruled out as the final outcome depends on the mutual understanding among the Afghans who now remain well apart, they said.

### Pakistan To Host Talks

OW2605082291 Beijing XINHUA in English  
0810 GMT 26 May 91

[Text] Islamabad, May 26 (XINHUA)—The Iran-based Afghan groups and the Pakistan-based Seven-Party Alliance will hold bilateral talks in Peshawar, capital of Pakistan's northwest frontier province, to seek a political solution to the decade-old Afghan problem. According to a report in the local English daily "MUSLIM" here today, the bilateral talks, which are sponsored by the United Nations but have yet to fix a date, are decided on the basis of the five-point plan of the Afghanistan settlement proposed by the UN Secretary General Perez de Cuellar on May 21.

The report said the UN secretary general's representative on Afghanistan, Sevan, will conduct the talks and the delegation headed by Sevan will arrive here early next month.

The report quoted official sources here as saying that Pakistan and Iran are in full agreement for pursuing a political solution to the Afghan problem.

It is now up to the Afghan leaders to sit together and evolve a joint approach in relation to the formula suggested by the UN secretary general, the sources said.

The five-point plan on the Afghan problem includes recognition of the right of the Afghan people to determine their own form of government and to choose their economic, political and social system free from outside intervention, ending arms supplies to all Afghan sides, creation of necessary conditions for the voluntary repatriation of Afghan refugees as well as for the economic and social reconstruction of Afghanistan, and the establishment of a broad-based government through an intra-Afghan dialogue.

### Moscow Supplies Jets, Missiles to Afghanistan

OW2505084791 Beijing XINHUA in English  
0740 GMT 25 May 91

[Text] Islamabad, May 25 (XINHUA)—The Soviet Union has provided Kabul regime with 20 MiG-29 modern jet fighters and another 20 jet fighters from

Moscow would also reach there very soon, according to an official report reaching here this morning.

The report disclosed that the Kabul regime would use these aircraft to bombard the Afghan mujahidin guerrillas.

After the fall of Khowst in the eastern province of Paktia, the report added, the transportation planes the Soviet Union sends to Afghanistan almost doubled, with 24 planes daily landing in the capital of the country.

Meanwhile, Moscow has also supplied 100 Scud missiles to Kabul in response to the latest appeal by President Najib, according to the report.

### United States & Canada

#### Bush Decision To Extend MFN Status Reported

##### Bush Sets Terms in Speech

HK2805101091 Hong Kong HSIN WAN PAO  
in Chinese 28 May 91 p 2

["New Talk" column: "Bush Speaks on Extending China's Most-Favored-Nation Status"]

[Text] U.S. President Bush delivered a speech yesterday at Yale University, where he was awarded an honorary degree. His speech dealt largely with the prospects for Asia and, in particular, made special mention of his intention to extend China's most-favored-nation [MFN] status unconditionally for another year.

This was the third time that Bush had raised the MFN status issue between China and the United States in the last two weeks, and this time he spelled out in more detail the reasons behind this measure.

According to the procedure involving the U.S. administration and Congress, Bush will have to make a decision on this matter and officially communicate it to Congress before 3 June this year (next Monday). Congress will then have the next two months to deliberate on the president's proposal and come up with its response. If Congress opposes the proposal, the president may use his veto powers to reverse the decision. If Congress is to reverse the president's veto, it will need a two-thirds majority vote.

Looking at the current situation in the U.S. Senate and House of Representatives, the president's decision to extend China's MFN status will still encounter much opposition from many congressmen, particularly those representatives who are concerned only with the economic interests of their states and who understand little of the world situation. To obtain a two-thirds vote in the Senate in order to veto Bush's decision will not be easy either, however. It would thus appear that while new twists may develop on this issue, its final outcome is likely to be the same as last year's—extension for another year until the issue comes up for decision again next

year. In other words, the MFN issue will be brought onto the agenda every year as a diversion.

Even though it is said that MFN treatment will be extended unconditionally for another year, the U.S. authorities went on to outline its terms before the announcement of this decision. They simply refrained from linking them on the surface. They announced that export of high-tech products to China will be restricted, 20 export permits awaiting approval will be held up, export of high-speed computers to China will be prohibited, and new satellite licenses will not be issued to China. This will thus affect and delay progress in China's satellite development program.

It now remains to be seen how China will react to Bush's speech and the relevant announcements. Chinese officials have long pointed out that if the MFN status is abolished, the United States, not China alone, will suffer. Naturally, China still hopes to maintain good relations with the United States and with its people, but it is also prepared to deal with any circumstances. When the United States had similar intentions to abolish the MFN status last June, China expressed the same sentiments, but this year there are some changes in its attitude. It now has a counter-policy of "seeking other options." While abolition of the MFN status would naturally create a lot of problems, it would not be the end of the world, as there are many countries with which relations can be expanded under mutually beneficial terms.

After the Gulf war, some people in the United States clamored for a "monopolar world" or a "new world order," that is, world peace under U.S. domination, and they even maintained that both the Soviet Union and China cannot provide the counterbalance [shen zhi ren wei su lian zhong guo dou bu ke yi zhi heng 3928 5267 6126 3634 5685 5114 0022 0948 6757 0008 0668 0110 0455 5899]. Recent developments in the world situation obviously point to a different story and the existence of multipolar forces appears to be closer to the truth.

Now that the MFN issue between China and the United States has settled into shape, it will be beneficial to U.S.-China relations as well as to the economies of regions like Hong Kong. But this is just part of the development process. It still remains to be seen what the final conclusion will be in the next two or three months.

#### Spokesman Expresses 'Appreciation'

HK2805065091 Beijing XINHUA in English  
0645 GMT 28 May 91

["China Appreciates U.S. President's Decision To Suggest Renewing MFN Status for China: Spokesman"—XINHUA headline]

[Text] Beijing, May 28 (XINHUA)—The Chinese Government today expressed its appreciation for President of the United States George Bush's announcement that he will suggest to the Congress that the MFN status for China be renewed.

A Chinese Foreign Ministry spokesman said today in a statement: "On May 28, President Bush of the United States announced that he will suggest to the Congress that the MFN status for China be renewed. This is a realistic and wise decision for which the Chinese Government would like to express its appreciation. The Chinese Government has always believed that a proper settlement of the MFN issue between China and the United States is beneficial to the two sides and will help to promote the restoration and growth of Sino-U.S. relations and maintain and enhance the prosperity in Hong Kong and the Asian-Pacific region at large."

He said, "the U.S. side indicated that it will block exports of some high-tech products to China on the ground of China's export of missiles. We express our regret over this statement. It is known to all that the Chinese Government has always adopted a serious, responsible and prudent position on international arms trade."

The spokesman said, "the Chinese Government has all along attached great importance to Sino-U.S. relations founded on the basis of the principles enshrined in the three joint communiques between China and the United States. We hope that both sides will strictly adhere to these principles in the interest of restoration and development of the bilateral relations."

#### Commentary Urges End to 'Slander' on Tibet

OW2605011591 Beijing International Service  
in Mandarin to Asia 0900 GMT 25 May 91

[Station commentary: "It is Impermissible To Interfere in China's Internal Affairs Over the Tibet Question"]

[Text] In the United States, there always are a handful of [ji shao shu] people who frequently try to seize upon the Tibet question and make an issue of it. They slander the Chinese Government for violating human rights in Tibet, and support the activities of a handful of splittists in Tibet, evoking indignation among the broad masses of the Chinese people.

As everyone knows, Tibet has been an inalienable part of China's territory since the 13th century. The Tibetan people are a member of the big family of the Chinese nation composed of 56 nationalities. This is a fact universally acknowledged by all countries in the world, including the United States.

(Pilefit), member of the National Assembly and former minister of justice of France, pointed out in an article recently published in LE FIGARO: The Tibet question brooks no external interference, on the same ground that the British Government permits no other countries to interfere in the North Ireland question, and the French Government permits no other countries to interfere in the Corsica question.

As for the so-called human rights issue in Tibet, everyone knows that Tibet practiced a serf system before the democratic reform in 1959. At that time, the serfs,

who accounted for 95 percent of Tibet's population, were regarded as animals that could speak. They did not have even the minimum personal freedom, let alone human rights. It is since the start of the democratic reform and abolition of the serf system that the Tibetan people have enjoyed comprehensive freedom and democratic rights which they never had before. A large number of Tibetan intellectuals, cadres, and workers have grown in strength and assumed the heavy responsibility of managing and building Tibet.

From 1952 to 1990, the central government's financial appropriation and investment in capital construction in Tibet totalled 17.8 billion yuan. In the last 30 years, the Tibet Autonomous Region has made remarkable progress in the political, economic, and cultural fields, and the Tibetan people's living standards have improved noticeably. These are facts. As a Chinese saying goes, listen to both sides and you will be enlightened; heed only one side and you will be benighted. People should listen to what the vast number of peasants and herdsmen in Tibet say, not the one-sided statement of certain persons; and they also should make comparisons between the actual situations of Tibet's past and present.

The Chinese people always have treasured the friendly relations between China and the United States. The 1982 Sino-U.S. Joint Communiqué points out that respect for each other's sovereignty and territorial integrity and noninterference in each other's internal affairs constitute the fundamental principles guiding the relations between the two countries. We hope that the handful of people in the United States will not ignore the norm of international relations, and that they will consider the importance of upholding Sino-U.S. relations and put an end to their unwise act of using the so-called Tibet issue to interfere in China's internal affairs.

### Soviet Union

#### CPSU Delegation Attends CPC Founding Seminar

OW2805080491 Beijing XINHUA Domestic Service  
in Chinese 1421 GMT 26 May 91

[By reporter Chen Maodi (7115 3029 1717)]

[Text] Shanghai, 26 May (XINHUA)—A national theoretical seminar of party schools on the 70th anniversary of the party's founding ended in Shanghai today. The seminar was co-sponsored by the party schools under the CPC Central Committee and the Shanghai Municipal CPC Committee.

At the six-day seminar, more than 120 scholars, specialists, and professors from various parts of the country exchanged over 100 papers, and displayed the tremendous research findings on the party's history achieved by various localities.

Speaking at the seminar, Xue Ju, executive vice president of the CPC Central Committee's party school, said:

"By studying and researching the party's history, we should earnestly sum up and draw on the party's historical experience, promote our party's fine tradition, educate the party members on the need to uphold communist ideals and convictions, and adhere to the goal of wholeheartedly serving the people. We also should distinguish right from wrong, and stick to the correct political orientation under complex conditions."

A delegation from the CPSU Central Committee's Academy of Social Sciences, led by its rector, Yanovskiy, attended the seminar's opening session. The delegation's report, entitled "Advance in Unison for the Sake of Common Interests: Commemorating the 70th Anniversary of the CPC's Founding," was applauded by scholars attending the seminar.

#### Li Ximing Meets Leningrad Oblast Delegation

SK2805054091 Beijing BEIJING RIBAO  
in Chinese 25 Apr 91 p 4

[Text] On the afternoon of 24 April, Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal CPC Committee, cordially met with the delegation of the Leningrad Oblast Party Committee, headed by Gidasov, secretary of the CPSU Central Committee Secretariat and first secretary of the Leningrad Oblast Party Committee.

Li Ximing said: China and the Soviet Union are two large socialist countries. Both now are carrying out reforms. Although their individual conditions are different, what is important is that they are going to link the Marxist and Leninist principles with their actual national conditions. Li Ximing also reviewed the deep impression of Leningrad he had during his recent visit to the Soviet Union.

Gidasov said: It has been 10 years or so since China began to carry out reforms. China has accumulated much experience in reform, and these are of extreme importance to us.

Wang Jialiu and Wang Guang, deputy secretaries of the Beijing Municipal CPC Committee; and Vorobyev, charge d'affaires ad interim of the Soviet Embassy in China, attended the meeting.

#### Friendship Group Meets Supreme Soviet Official

OW2805074491 Beijing XINHUA in English  
0620 GMT 28 May 91

[Text] Moscow, May 27 (XINHUA)—An official of the Supreme Soviet met the visiting delegation of the Chinese Foreign Association for Friendship today. They discussed a plan on further cooperation between the two countries.

Fikryat Tabeyev, deputy chairman of the Supreme Soviet Committee for International Affairs, also exchanged views on the development of Sino-Soviet



friendly organizations with Han Xu, chairman of the Chinese People's Association for Friendship With Foreign Countries.

The Chinese delegation, which arrived here on May 20, is scheduled to end its Soviet visit today.

### 'Special Commentary' Views 'Foundation' of Ties

HK2505085691 Hong Kong WEN WEI PO in Chinese  
23 May 91 p 7

["Special commentary" by Lin Ling (2651 0407): "New Foundation for Developing Sino-Soviet Relations"]

[Text] The principle of peaceful coexistence is China's diplomatic foundation stone, and the development of good-neighborly and friendly relations with peripheral countries is a key point of its diplomatic work. Recently, Sino-Indian border talks were carried out in a friendly atmosphere and an additional agreement on the Sino-Burmese border was signed. Taking the good opportunity of General Secretary Jiang Zemin's visit to the Soviet Union, the foreign ministers of the two countries signed an agreement on the eastern section of their border. This was "a major event," as well as a "gratifying result." The Soviet Union is China's largest neighbor, and the two countries are linked by more than 7,000 km of common mountains and rivers. People believe and earnestly expect that an agreement on the issue of the entire Sino-Soviet border and on the border disarmament issue will be reached to the satisfaction of both countries at an early date through consultations by experts of both sides.

Sino-Soviet good-neighborly and friendly relations must develop. This is necessary to the basic interests of the peoples of the two countries, for giving an impetus to Asian peace and development, and for slowly forming a new world order. Over the past two years, under the guidance of the idea of "bringing the past to an end and opening up the way to the future," Sino-Soviet relations have, in fact, developed all along in the direction of gradual improvement. The leaders of the two countries at many levels have visited each other frequently, economic relations and trade gradually have expanded, cultural exchanges have increased unremittingly, and the channels of the people's contacts have become smoother with each passing day. All this embodies normal development. As a return visit for Gorbachev's visit to China two years ago, Jiang Zemin's first trip to Moscow further affirmed the improvement of relations between the two countries in the last two years, and embodied the common desire to further promote the development of the relations between the two countries.

The international community follows the renormalization of Sino-Soviet relations with great interest because 1) the relations of the two socialist powers had a period of "alliance honeymoon" in the 1950's and subsequently became "not plain sailing" and even, as it were, extremely rough and bumpy. They are now renewing their cordial relations today. What will be the extent of

their good relations? 2) In the face of the establishment of a new world order, which has become a popular subject of discussion in the international community, and when "one pole dominates exclusively" [yi ji du ba 0001 2817 3747 7218] and is eager to have a try now, Sino-Soviet relations are back to normal. To what extent can they play a part in restricting this?

The answer to the first question is that everything depends on China's diplomatic foundation stone. Regardless of social systems, ideologies, or value concepts, China treat all countries—rich or poor, powerful or weak—in the same way, on the basis of the five principles of peaceful coexistence. Jiang Zemin emphasized this again in Moscow. The ancient teachings of more than 2,000 years ago that "the strong do not tread upon the weak" and "the rich do not bully the poor" are of practical significance today. China resolutely pursues neither power politics nor hegemonism, and also is opposed to other countries going in for power politics or hegemonism. China's stand is clear-cut and consistent. One may well say that as far as China is concerned, there is no basic difference between the extent to which China strives for friendly Sino-Soviet relations and the extent to which it strives for friendly Sino-U.S. relations. If we say there is something special, it appears that the main reason is the Soviet Union is the largest neighboring country; neighbors are dearer than distant relatives, and good-neighborliness and friendship are clear at a glance. On the first day of Jiang Zemin's visit to the Soviet Union, President Bush expressed neither too early nor too late his willingness to extend China's most-favored-nation trading status. Should this not be a coincidence, he would be a bit too "sensitive."

The answer to the second question is that from Gorbachev's speech, we can see something behind it. Gorbachev said: "The end of the Cold War in the world does not mean that new world order can be formed overnight. There are also whirlpools in world development today, as in the period of ice drifting and in a flood season. Latent danger often will be exposed and river water also may be blocked and may even flow backward." Gorbachev also said: "Only by achieving extensive mutual understanding and consensus can the countries ensure that they come near the target most reliably and most safely." His speech ranged from metaphors to realities, and his viewpoint was fairly clear-cut. In establishing a new world order, he advocated "multipolarization," but did not agree on "one pursuing hegemonism alone."

China's diplomatic foundation stone is the sole criterion for handling the relations between two countries well so as to build up an impartial and rational new world order.

### Agreement Signed on 1st Sino-Soviet Joint Venture

OW2605114491 Beijing XINHUA Domestic Service  
in Chinese 0800 GMT 25 May 91

[By reporter Sun Jie 1327 26380]

[Text] Beijing, 25 May (XINHUA)—Our country's first Sino-Soviet joint enterprise came into being in Beijing today. Representatives of the Baotou flax textile mill and four Soviet enterprises took part in a ceremony to sign an agreement on building a joint venture: The Baotou Sumengte [5685 5536 3676] Flax Textile Joint Company, Limited.

It was learned that the total amount of investment for Baotou Flax Textile Joint Company, Ltd, would be 155 million yuan. The Chinese side is to provide 62.9 percent of the investment and the Soviet side is to provide 37.1 percent. The Soviet investment will be made in the form of flax processing equipment, special technology, and training of Chinese workers. It will be the largest joint venture in Inner Mongolia at present.

It was learned that Baotou Flax Textile Joint Company, Ltd, would include a seed company, a raw material plant, a textile mill, and a weaving plant. Its operations will include the breeding of fine strains of flax and primary processing of flax, as well as spinning, weaving, printing, and dyeing of linen products. After the completion of the construction work, the company will be able to produce 500 tonnes of flax seeds, 1,000 tonnes of clumped flax [da cheng ma 2092 2052 7802], 1,000 tonnes of short flax, and 4 million meters of natural color, dyed, and printed linen cloth per year, with 80 percent of these products exported to the international market.

#### **Joint Transportation Agreement Signed in Moscow**

*OW2405124891 Beijing XINHUA Domestic Service in Chinese 0125 GMT 21 May 91*

[Text] Moscow, 21 May (XINHUA)—“The Motor Vehicle Transportation Agreement Between the Government of the People's Republic of China and the Government of the Union of Soviet Socialist Republics” was signed in Moscow 21 May.

Zhen Guangdi, vice minister of the Chinese Ministry of Communications, and Yefimov, transportation minister of the Russian Soviet Federated Socialist Republic, respectively signed the agreement on behalf of their governments.

Yu Hongliang, Chinese ambassador to the Soviet Union, attended the signing ceremony.

#### **Bessmertnykh Gives Priority to East European Ties**

*OW2405115191 Beijing XINHUA in English 0108 GMT 24 May 91*

[Text] Moscow, May 23 (XINHUA)—Soviet Foreign Minister Aleksandr Bessmertnykh said here today that his country gives priority to the development of ties with East European countries, including Hungary, in its foreign policy.

He made the remark following his talks with his Hungarian counterpart Jeszenszki Geza, who arrived here on Wednesday for an official visit.

The Soviet TASS NEWS AGENCY quoted Bessmertnykh as saying the Soviet-Hungarian relations have entered a new phase which is characterized by complete independence, sovereignty and self-determination of national policies and principles.

The two sides are formulating a treaty to be used as a new legal base for bilateral relations and the treaty should include clauses providing guarantee for military and political interests of both sides, the Soviet foreign minister said.

He also said both countries agree that the treaty should be free from any wordage that may cause concern of a third country.

Meanwhile it was reported that the Soviet Union had insisted on writing into the treaty that neither side should participate in a hostile political and military alliance, but Hungary considered the commitment unacceptable as it constitutes a restriction on state sovereignty.

The two foreign ministers signed a protocol for consultations between Foreign Ministry officials of the two countries at the end of their talks.

#### **'Most Quiet' Russian Federation Congress Closes**

*OW2605061891 Beijing XINHUA in English 0604 GMT 26 May 91*

[Text] Moscow, May 25 (XINHUA)—The fourth congress of Russian people's deputies, which lasted five days, ended here today, according to TASS.

The congress, described by the deputies as “the most quiet” and the shortest of its kind, created the legal basis for the establishment of executive presidency in Russia and made corresponding amendments to the Russian Constitution.

The congress, however, failed to elect the republic's constitutional court. After heated discussions of the draft law on the Russian Constitutional Court, deputies decided to leave this issue to the next congress.

The congress also decided on the Russian president's powers.

The changing situation in the country, the declining confrontation between the Russian Federation and the central authorities, and the agreement signed on April 23, 1991, by Soviet President Mikhail Gorbachev and the leaders of nine Soviet republics, including Russian parliamentary head Boris Yeltsin, exerted “a positive impact” on the congress, TASS said.

As the Russian presidential elections, scheduled for June 12, are approaching, all political forces in the Russian Republic have already switched their efforts to the election campaign.

## Northeast Asia

### Wang Zhen Receives Japanese Artists

OW2505112991 Beijing XINHUA in English  
1115 GMT 25 May 91

[Text] Beijing, May 25 (XINHUA)—Chinese Vice-President Wang Zhen met with a group of leading Japanese artists who came to appreciate China's Quyi, or ballad singing and cross talks, at the Great Hall of the People this afternoon.

During the meeting, Wang, on behalf of the Chinese Government, extended a warm welcome to the Japanese guests, saying cultural exchanges and friendly relations date back to several thousand years, and the friendly relations will be carried on from generation to generation.

Artists of the two countries have worked hard for the cultural exchanges between them, Wang said, adding their work is of great value.

Sino-Japanese friendship conforms to the fundamental interests of the two peoples, he noted.

Senior Japanese artist Okamoto Bunya, 96, is head of the Japanese delegation. He came to China for the first time at the age of 70 and this is his 11th visit to China.

Representatives of leading Chinese folk artists were present at the meeting.

### Foreign Ministry Assesses Korean UN Membership

OW2805105891 Beijing Central People's Radio  
Network in Mandarin 0930 GMT 28 May 91

[From the "National Hookup" program]

[Text] In response to a question today on the DPRK's decision to apply for a separate membership in the United Nations, a Foreign Ministry spokesman said that we always have maintained that the question of Korea joining the United Nations should be settled properly through negotiations between North Korea and South Korea. The DPRK has decided to join the United Nations now. This is a decision of positive significance. It will help promote talks between North Korea and South Korea and be conducive to peace and stability on the peninsula.

### DPRK Reaction to Tibetan Anniversary Noted

#### Envoy Hosts Reception

OW2805082791 Beijing XINHUA in English  
0751 GMT 28 May 91

[Text] Pyongyang, May 28 (XINHUA)—Diplomatic envoys to the Democratic People's Republic of Korea (DPRK) believe that Tibet is an inalienable part of the territory of China.

These sentiments were expressed last night at a reception given by the Chinese Ambassador to the DPRK Zheng Yi in celebration of the 40th anniversary of the peaceful liberation of Tibet.

In his speech, Zheng Yi briefed diplomats and Korean friends on the tremendous changes in the Tibetan Autonomous Region since its liberation four decades ago.

Zheng stressed that the Chinese Government resolutely opposes interference in the internal affairs of Tibet by any foreign government or organization.

Mustafa al-Safarini, the Palestine state's ambassador to the DPRK remarked, "China is a multinational country. Tibet is an inalienable part of the territory of China."

Al-Safarini, who is also head of the diplomatic missions in Pyongyang, spoke highly of the democratic rights enjoyed by the Tibetan people and the great achievements they have made in economic and cultural construction under the leadership of the Chinese Communist Party. [as received]

### Separatist Acts Denounced

OW2405204491 Beijing XINHUA in English  
1531 GMT 24 May 91

[Text] Pyongyang, May 24 (XINHUA)—The Democratic People's Republic of Korea (DPRK) denounced activities of those who tried to separate Tibet from China, and supported China in safeguarding territorial integrity.

DPRK Vice-Premier Chang Chol made the remarks at a reception today marking the 40th anniversary of peaceful liberation of Tibet, which was given by Chinese Ambassador Zheng Yi.

Vice-Premier Chang Chol pointed out that the imperialists have connived splittists to advocate "Tibetan independence." By so doing, they interfered in China's internal affairs in an attempt to separate the inalienable territory of Tibet from China.

He stressed that DPRK denounced imperialists and supported China in its efforts to safeguard territorial integrity and national unity.

Ambassador Zheng Yi briefed those present about the great changes which have taken place over the last four decades in Tibet, an autonomous region of China.

He said that some reactionary forces overseas have ignored the fact that Tibet has been part of Chinese territory since the ancient times. They tried every means to interfere in China's internal affairs. The Chinese people including the Tibetans absolutely cannot tolerate these activities.

At the reception, two documentary films depicting Tibet were shown to the warm welcome of guests.



**XINHUA Covers South Korean Political Unrest****Situation 'Turbulent'**

*OW2705102491 Beijing XINHUA in English  
1005 GMT 27 May 91*

[“News Analysis: South Korea's Latest Cabinet Reshuffle Seen as Result of Social Instability”—XINHUA headline]

[Text] Pyongyang, May 27 (XINHUA)—The situation in South Korea has remained turbulent following students' demonstrations and public unrest which erupted last month.

Social stability is still difficult to predict despite President No Tae-u's cabinet reshuffle. Last Friday, he designated former Education Minister Chong Won-sik as new prime minister to replace No Chae-pong, and changed four cabinet ministers on Sunday.

The South Korean newspaper TONG-A ILBO asked: “Why has the country been bogged down in armed conflicts in the past thirty years?”

“In a word,” the paper pointed out, “the men in power are unable to rule since they are in favor of grabbing power while trying to brag about democracy at the same time.”

The latest trouble for the government unfolded in March this year after a bribery case was laid bare involving four senior government officials and four parliamentarians.

The case, in which an official alone was accused of accepting bribes of about 370,000 U.S. dollars, triggered off large demonstrations calling for the cabinet to resign en masse and President No Tae-u to step down.

Corruption within politics has long been the target of media critics and public furor. During the rule of President Chon Tu-hwan, 17 members of his family were arrested for corruption and taking bribes.

In the rule of No Tae-u, another four ministers and some parliamentarians left their posts after being exposed of similar crimes.

“Such social contradiction and abnormal phenomenon must lead to people's protest,” a South Korean newspaper said recently.

The “public security rule”, by which the government aims at tighter control, has also caused social indignation. Present public focus calls for scrapping a plain-clothes law enforcement group known as “White Skull”, because its members wear white helmets.

“White Skull” was founded by the Interior Ministry in the early 1980's. Its members were mostly trained policemen. Now membership has expanded to 6,000 with 44 squadrons, and its major mission has turned from quashing violent criminal cases to arresting organizers and leaders of the student movement.

“Whenever they arrest students in demonstrations, they get holidays and bonuses,” a “White Skull” official told a news reporter recently.

“Whenever they see student demonstrations, they are excited by the hostility,” he added.

The demonstrations against increased government suppression were highlighted when college student Kang Kyong-tae was killed by police on April 26, and several other students burned themselves protesting the violence of the authorities.

The death of the students touched off a demonstration of 600,000 people in Seoul, and more than 3,000 people every day attended their funerals.

Besides political reasons, social discontent over price rises can be considered another cause for unrest the consequent cabinet reshuffle. [sentence as received]

According to official statistics, the price rise index was 13 to 14 percent this year compared with 2 to 4 percent three years ago. The government is facing a growing demand by workers for wage increases, and that makes yet another challenge for Chong Won-sik's cabinet.

**Acting Prime Minister Appointed**

*OW2405102191 Beijing XINHUA in English  
0949 GMT 24 May 91*

[Text] Pyongyang, May 24 (XINHUA)—South Korean President No Tae-u today accepted Prime Minister No Chae-pong's resignation and appointed Chong Won-sik, former minister of education, as acting prime minister, the Seoul radio reported.

The radio said that Government Spokesman Yi Su-chong said Chong, who is visiting Africa as the president's special envoy, will come back tomorrow and No will meet with him tomorrow for a small cabinet reshuffle.

No submitted his resignation on Wednesday. The president agreed to No's resignation in order to end the confusion caused by the recent demonstrations.

Since the end of last month, opposition parties and groups as well as students in South Korea have held anti-government demonstrations in which they had sharp clashes with police. At least 11 persons committed suicide to protest against the authorities' “police rule.”

An official said the parliament has not planned to discuss the appointment.

Chong, 63, was graduated from the Seoul Normal University. He was minister of education from 1988 to 1990.

A spokesman of the ruling Democratic Liberal Party said Chong is a suitable candidate for the prime ministership. But both the New Korea Democratic Party and the Democratic Party held that Chong is a hardliner who had a hand in repressing teachers and students and that

the appointment would not contribute to ending the current critical situation. They demanded that the president withdraw his appointment.

#### **Cabinet Reshuffle Noted**

OW2605100891 Beijing XINHUA in English  
0947 GMT 26 May 91

[Text] Pyongyang, May 26 (XINHUA)—South Korean President No Tae-u replaced four cabinet ministers today to end political turmoil that has persisted for a month.

Reports from Seoul said the appointments were made at a meeting between No and newly-appointed Prime Minister Chong Won-sik.

A presidential spokesman said No named former Prosecutor-General Kim Ki-chun, 51, as justice minister; and Yi Yong-man, head of the office of bank supervision and examination, as finance minister.

The energy and health ministers were also replaced.

On Saturday night, Kim Kwi-chong, 25, a third year student at Seoul's Sungkyunkwan Confucian University, was killed as police teargassed some 5,000 protesters.

The cause of her death was not immediately clear. Witnesses said she was apparently trampled underfoot as her fellow students fled a police attack.

It was the latest in a long series of deaths and life-threatening injuries since riot police in Seoul beat to death student protester Kang Kyung-dae on April 26, sparking a month of turmoil which forced No to replace his prime minister.

Ten people have attempted suicide in protest at the student's killing. Seven have succeeded and two others lie seriously injured in hospital.

#### **Mongolian Hural Approves Privatization Law**

OW2505072991 Beijing XINHUA in English  
0715 GMT 25 May 91

[Text] Ulaanbaatar, May 25 (XINHUA)—The Mongolian Small People's Hural, the permanent supreme power organ of the state, approved a privatization law on Wednesday with 72.3 percent of the votes cast in favor, the newspaper "PEOPLE'S RIGHT" reported today.

Under the new law, privatization will fall into two categories: industrial privatization and privatization in commerce and catering trade.

Ways of privatizing the properties in farms will be decided by farmers, the law says.

The government will issue securities to every citizen for buying the stocks and properties of factories and other enterprises. Meanwhile, state properties will be distributed to citizens gratis.

The country has begun to privatize properties in commerce and catering trade since May 1. It plans to privatize 40 percent of state-owned factories and enterprises in two or three years so that the private economy will make up 70 percent of the total national economy.

The law will be enforced after it is approved by the Mongolian president.

#### **Embassy in Mongolia Shows Film on Tibet**

OW2505050291 Beijing XINHUA in English  
0058 GMT 25 May 91

[Text] Ulaanbaatar, May 24 (XINHUA)—The Chinese Embassy here gave another film reception today to brief Mongolians about life in Tibet since liberation.

Personages from all walks of life in Mongolia attended the reception at the Chinese Embassy, where they were shown three documentary films about religion, culture, history and new look of Tibet.

The guests took great interest in the films, saying they felt as if they had been brought on a trip to Tibet, of which many Mongolians have a poor understanding.

This is the third film reception hosted by the Chinese Embassy accredited to Ulaanbaatar.

#### **Southeast Asia & Pacific**

##### **'Alarm' Over Taiwan-Philippine Fishery Dialogue**

HK2705034891 Beijing Radio Beijing in Tagalog  
1130 GMT 25 May 91

[Text] A delegation from the Taiwanese fishing industry went to the Philippines last May 20 to try to resolve a dispute on territorial fishing rights. In this regard, a Chinese Foreign Ministry spokesman has told newsmen that China views such a move with alarm. He said China strongly opposes overtures being made to other countries by the Taiwanese authorities on matters involving territorial rights and mutual fishing rights. China absolutely cannot countenance any talks or moves which could possibly result in policies fostering a two-China policy, or a one-China, a one-Taiwan policy, or any other proposal which purports to show Taiwan as an individual political entity.

##### **Unofficial Sino-Vietnamese Border Trade Fairs**

HK2705062091 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 18 May 91 p 2

[Article by staff reporter Nie Chuangqing (5119 0278 3237): "Spring Returns to Youyiguan"]

[Text] History and reality seem to overlap with difficulty here: The friendship bridge on the border river in Dongxing Town, which was blown up by Vietnamese troops 10 years ago, still lies in the rushing waters, while several hundred meters away, 200 to 300 hundred boats



shuttle to and fro, linking newly established zones for trade between China and Vietnam.

It has been learned that in seven border counties and cities in Guangxi, a total of more than 200 townships, towns, and residential areas currently are engaged in nongovernmental trade with Vietnam, and the Nongrao Trade Zone in the vicinity of Pinxiang City is the biggest trade market on the Sino-Vietnamese border. All this serves to show that on today's 1,000-li border, where China's Guangxi Province is contiguous to Vietnam, yesterday's battlefields have been replaced by trade fairs.

### Mysterious "Turf Streets"

Located near the border between the two countries, most border fairs set up by Chinese and Vietnamese border inhabitants are concealed among high mountain ridges, at crossings at the foot of hills, or on the slopes of demarcation mountains. Border inhabitant wittily call these country fairs in the wilderness "turf streets."

Starting off following border inhabitants from Pinxiang, we crossed over mountains and finally arrived at the Nongrao trade fair located in a pass. On our way, we saw many border inhabitants riding and pushing uphill three or four bicycles of the Phoenix and Forever brands. Though streaming with sweat, they were all smiles. People told us that Phoenix- and Forever-brand bicycles and Butterfly-brand sewing machines were "best sellers," and one could earn dozens of yuan for every piece sold.

Winding in valleys, these "turf streets" are just like country fairs in China's rural areas, and you can find a rich array of goods at all stalls. Among Chinese commodities that sell well, besides bicycles and sewing machines, are saccharin, toothpaste, detergent, beer, sportswear, and others. At the stalls of Vietnamese border inhabitants, there are not only industrial products such as tin, copper, and nickel blocks, but also Soviet-made pressure cookers, aluminium products, chemical fibers, and piece goods. There are even more agricultural and sideline products including vegetables, fruits, chickens, fish, meat, and eggs.... In this brisk, yet well-ordered fair, you can see people coming and going everywhere.

These "turf streets" were first opened up by Vietnamese border inhabitants, who, short of breath and sweating all over, carried goods on shoulder poles, in their hands, on their heads, and in sacks. Due to scarcities of materials during the postwar period, more than 2 million people on the Vietnamese side came all the way across the minefields they had laid themselves in 1988 to buy (mainly to exchange) daily necessities and light industrial products at border fairs. The next year, Vietnamese civilians simply made arrangements on their own initiative to remove mines planted near vital communications lines and cut wider paths leading to border fairs. That was how nongovernmental trade on the Sino-Vietnamese border irresistibly began to flourish on the quiet.

In an interview with reporters, Pinxiang Vice Mayor Lu said that the Sino-Vietnamese border trade took shape

spontaneously, which gave expression to the strong aspirations of the border inhabitants of the two countries to promote the economy in a peaceful environment. In fact, the supply of each other's needs by border inhabitants has helped expedite economic development in the two places of Pinxiang and Tongdeng, Vietnam, and bring contentment and prosperity to people's lives.

### Refugees' Prayers

Refugees are the direct victims of war. During a one-month visit to areas inhabited by returned overseas Chinese, we visited many refugee resettlement areas, including mainly farms for returned overseas Chinese in Guangxi, and state-owned agricultural and forest farms, such as Guangxi's Wuming farm for returned overseas Chinese, and the Liucheng and Fuhu farms for returned overseas Chinese in Liuzhou City. A document on Liuzhou's refugee reception center reveals that over the past 10 years and more, Liuzhou has received nearly 7,000 refugees, among whom the overwhelming majority are overseas Chinese or Vietnamese citizens of Chinese origin. The ancestors of many had gone to Vietnam since the Ming Dynasty and had lived there for generations and generations. They got along well with the Vietnamese people, and made huge contributions to Vietnam's revolution and construction. During those unfortunate days more than 10 years ago, large numbers of overseas Chinese and Vietnamese citizens of Chinese origin became refugees, and led a miserable and dreary life. Many of them had families broken up, with some gone away and some dead, and had to sleep in streets.

Over the past 10 years and more, great changes have taken place in the lives of the refugees who were resettled in returned overseas Chinese farms, as well as in state-owned agricultural and forest farms. Refugee family farms in Liuzhou also are flourishing; tea plantations, orchards, and sugar-cane fields have heaped bumper harvests; per capita housing area exceeds 13 square meters; and many families have purchased all necessary home electrical appliances, such as high-quality color televisions and refrigerators.

Refugees have come out of the shadow of war and live a peaceful, happy, and well-off life. This new life is hard-won, for they have put in hard work and toil. They all hope the past will become history, and the nightmare of war will never befall them again.

### Oh! The Friendship Pass

During the 600 years since its establishment, the magnificent Friendship Pass has witnessed innumerable periods of war and of peace, both hostility and friendship. The vicissitudes of life over the past several centuries make one ponder the past with all sorts of feelings welling up in the mind.

The Friendship Pass, which symbolizes the friendship between the peoples of China and Vietnam, is covered with bullet holes, and shot marks also can be seen on the three Chinese characters engraved on the gate in bold and

vigorous strokes reading "the Friendship Pass." They are in the handwriting of the late Marshal Chen Yi. An exhibition hall in the gate tower of the Friendship Pass, which put on display many mementos of friendly contacts between the Chinese and Vietnamese peoples over a long period of time, also was forced to move to another place. Though friendly contacts between them were cut off by wars, friendship will exist in the hearts of the two peoples forever; people will never forget the days when they fought side by side to resist aggressors in front of the Friendship Pass and forged a profound revolutionary friendship; neither will they forget that during the difficult period, the two peoples supported each other and were bound together by ties of fraternal friendship.

According to a responsible person of the Office of Overseas Chinese Affairs in Pinxiang City, the peoples on both sides of the border have lived in harmony over a long period of time, and many border inhabitants are relatives or have blood relationships.

Although the Friendship Bridge still lies broken in the Beilun River and bullet holes remain on the Friendship Pass, people's hope for peace, pursuit of friendship, and desire to join hands in developing their economies are irresistible. This can be best exemplified by their efforts to break paths through minefields and established non-governmental border trade zones. The green bud of peace already has sprouted in the hearts of the people who have experienced the chaos of war.

### Near East & South Asia

#### Algeria Denies Plan To Make Nuclear Weapons

OW2605021391 Beijing Central People's Radio  
Network in Mandarin 1600 GMT 22 May 91

[From the "International News and Current Events" program]

[Text] Cherif Hadj Slimane, the Algerian ministerial delegate for research and technology, said that Algeria has no intention of making a nuclear bomb, but merely aims to equip itself with nuclear technology for peaceful application.

Commenting on the Western media's reporting of Algeria's plan to make nuclear weapons with the assistance of the Chinese Government, Slimane pointed out that the Peace nuclear reactor built with China's assistance is meant for research purposes only. As its capacity does not exceed 15 megawatts and as it is not capable of producing plutonium, the reactor cannot be used for making nuclear weapons.

#### Yang Fuchang Addresses Conference on Mideast

OW2805071391 Beijing XINHUA in English  
0650 GMT 28 May 91

[Text] Vienna, May 27 (XINHUA)—Chinese Vice Foreign Minister Yang Fuchang today urged the international community to take the current "golden opportunity" to achieve a peaceful settlement of the Middle East issue.

Speaking at the international conference on Middle East challenges after the Gulf war which opened here today, Yang expressed the wish of the Chinese Government and people to see a peaceful and stable Middle East "where all countries will enjoy prosperity and development."

"We now have a golden opportunity to achieve a peaceful settlement of the Middle East issue, and we must not let it slip away," he told more than 40 participants from a dozen countries and international organizations.

Over the past 40 years or more, Yang said, wars broke out in the Middle East region many times, and the persistent turbulence there has inflicted untold sufferings to people in the region and seriously hampered their economic and cultural progress.

So, "an early realization of just and lasting peace in the Middle East is not only the desire of the people of the region but also the common wish of all the peace-loving countries and peoples over the world," the vice foreign minister pointed out.

The outbreak of the Gulf war "has made more people realize that the Middle East question must be settled as soon as possible, otherwise there will never be peace in the region and world peace will be seriously affected," Yang said.

He said there are three lessons the international community could learn from the Gulf war:

The most important one, he said, is that the practices of power politics in international relations can only bring disasters to mankind, and therefore must be discarded resolutely;

Secondly, solving disputes between states through political means should be a principle to be observed universally;

And thirdly, the United Nations can play an important role in solving regional disputes and maintaining world peace.

Referring to post-war peace arrangements in the region, Yang said they should be addressed with the independence, sovereignty and territorial integrity of the countries in the region respected and their internal affairs handled by the people of these countries.

"The security of the Gulf and that of the Middle East are inseparable, and all countries in this region should be given a chance to play their roles," Yang stressed.

He suggested that a comprehensive and balanced arms control should be conducted in this region, and weapons of mass destruction should be banned and destroyed.

In accordance with Security Council Resolutions 242 and 338, he said, the occupied Arab territories should be returned and the legitimate national rights of the Palestinian people restored, and at the same time, the sovereignty and security of the State of Israel should be respected and guaranteed.

He also said that all constructive initiatives taken by the various parties, including bilateral and multilateral dialogues and consultations, should be supported.

Yang proposed an international conference under the auspices of the United Nations to work out a political settlement within the framework of relevant U.N. resolutions.

The on-going conference, sponsored by the International Peace Academy, a non-government institute based in New York, is due to end on Wednesday.

#### **Wu Xueqian Attends Rajiv Gandhi Funeral**

*OW2405145191 Beijing XINHUA in English  
1346 GMT 24 May 91*

[Text] New Delhi, May 24 (XINHUA)—Indian former Prime Minister Rajiv Gandhi's body was cremated in the last funeral rite this afternoon with full state honors at Shakti Sthal (Source of Strength), where the body of his mother Mrs Indira Gandhi had been cremated seven years ago.

Army buglers sounded the last post, guns boomed in salute and soldiers reversed arms, as Gandhi's son Rahul bravely lit the sandalwood funeral pyre at 1725 hours local time amidst the chanting of religious hymns.

The widow of Rajiv Gandhi, Sonia, was held by daughter Priyanka as flames claimed the mortal remains of the former prime minister.

Watching the solemn last rites at Shakti Sthal were weeping commoners, grim national leaders including President R. Venkataraman and Prime Minister Chandra Shekhar, and a galaxy of foreign dignitaries including Chinese special envoy, Vice-Premier Wu Xueqian.

Kings, princes, prime ministers and envoys had come from the five continents to bid him adieu at the very spot where he had picked up the mantle of national leadership from his assassinated mother, Mrs. Indira Gandhi, who fell to bullets of her own bodyguards in 1984.

The funeral procession, which left Teen Murti House where Gandhi's body lay in state since Wednesday, took over nearly three and half hours to reach Shakti Sthal after traversing 10 kilometers through the city covering, among other places, the India Gate and downtown Connaught Place. About 200,000 grief stricken people who lined the streets paid homage as the procession went past them.

Rajiv Gandhi was cremated at the same venue on the bank of the Yamuna River, where his grandfather Jawaharlal Nehru and mother Indira Gandhi had been cremated.

#### **Meets Indian President**

*OW2505101891 Beijing XINHUA in English  
0943 GMT 25 May 91*

[Text] New Delhi, May 25 (XINHUA)—Indian President R. Venkataraman said here today that the cooperation between India and China in the world affairs is vital to Asia as well as to the whole world.

He made his observations to the special envoy of the Chinese Government, Vice-Premier Wu Xueqian, this morning at Rashtrapati Bhavan (presidential palace) here.

Wu, leading a 12-member delegation to attend the funeral of Indian former Prime Minister Rajiv Gandhi, expressed deep grief over Gandhi's death, saying it is a heavy loss for the Indian people.

A delegation spokesman quoted Wu as telling the Indian president that the Chinese people felt shocked and sad over Gandhi's death.

Wu recalled the positive contribution by Rajiv Gandhi to the development of the Sino-Indian relations. He expressed the hope that the efforts for better bilateral ties should be continued, particularly in the unstable world situation at present.

Venkataraman thanked the Chinese Government and people for sending a high-level delegation and expressing their sympathy at a time when an unfortunate incident happened to India.

India and China, each of them with a history of thousands of years, had exchanged scholars and Buddhist monks since very long time ago, he said.

The president said a new chapter in the history of bilateral relations was opened up with Rajiv Gandhi's visit to China in 1988. And the two countries should strengthen their cooperative ties in fields like industry, trade and culture.

Chinese Ambassador to New Delhi Tu Guowei was present on the occasion.

#### **Condolences to Sonia Gandhi**

*OW2505140291 Beijing XINHUA in English  
1302 GMT 25 May 91*

[Text] New Delhi, May 25 (XINHUA)—The Chinese Government special envoy, Vice-Premier Wu Xueqian expressed the most heartfelt condolences to Sonia Gandhi, the widow of the slain former Indian Prime Minister Rajiv Gandhi, this morning.

Calling on Sonia at her house here, Wu praised Rajiv Gandhi for a lot of work he had done since his China trip in 1988 to promote the friendly relations between the two countries and the two peoples.



Rajiv Gandhi had also made his contribution to the development of the Nonaligned Movement and the maintenance of world peace, Wu added.

Sonia thanked Wu for his beautiful words on her late husband and his participation in Rajiv Gandhi's funeral which was held here yesterday afternoon.

Wu, heading a 12-member Chinese delegation, arrived here yesterday morning and is returning home tomorrow morning.

### **Calls on Indian Prime Minister**

CM2805135891 Beijing XINHUA Domestic Service  
in Chinese 1332 GMT 25 May 91

[Text] New Delhi, 25 May (XINHUA)—This morning, Indian Prime Minister Chandra Shekhar and Wu Xueqian, special envoy of the Chinese Government, emphasized the importance of the continued development of ties between the two countries.

Calling on Shekhar at his official residence in New Delhi, Vice Premier Wu Xueqian said Chinese leaders are shocked and grieved over the death of former Indian Prime Minister Rajiv Gandhi.

A spokesman for the 12-member Chinese delegation headed by Wu quoted the vice premier as saying that during Gandhi's visit to Beijing in 1988, the frank [tan shuai 0982 3764] and sincere talks between the two sides bore fruit.

Wu Xueqian pointed out that China and India—the two large developing countries in Asia—are faced with similar problems in their development, and strengthened cooperation will be conducive to stability in Asia, as well as to the world peace.

Shekhar said that in a vastly changing world, the two ancient countries of India and China should have more reason to cooperate closely with each other for the purpose of promoting world peace.

The Indian prime minister described the development of bilateral relations since Gandhi's visit to China in 1988 as encouraging.

India is keen to develop relations with China and there is much potential for further development, he said.

Wu, who arrived here yesterday to attend Rajiv Gandhi's funeral, recalled that the five principles of peaceful coexistence—initiated in the 1950s by late Chinese Premier Zhou Enlai and late Indian Prime Minister Jawaharlal Nehru—have played a positive guiding role in country-to-country relations.

A new world political and economic order should be set up with commonly observed norms based on the five principles, he added.

Fully agreeing with Wu's view, Shekhar said that the current world is marked by "the smell of domination",

adding that there should be better understanding among the countries in this world so that small countries will feel safe.

Shekhar expressed India's willingness to exchange views and cooperate with China on the new world order, saying the two countries should act together to begin the process of establishing a new order.

He reiterated his invitation for Premier Li Peng to visit India and hoped the visit could be materialized at an early date.

Wu told Shekhar that Li is willing to visit India at a time convenient to both sides.

The meeting was held in a cordial and friendly atmosphere. Chinese Ambassador to India Tu Guowei was present at the talks.

### **Departs New Delhi**

OW2605074491 Beijing XINHUA in English  
0711 GMT 26 May 91

[Text] New Delhi, May 26 (XINHUA)—Special envoy of the Chinese Government Wu Xueqian left here this morning for home after attending the funeral of former Indian Prime Minister Rajiv Gandhi.

Seeing off Wu at the Indira Gandhi International Airport, Indian Commerce Minister S. Swamy thanked the Chinese vice-premier for coming to Delhi at a time of crisis for India following Rajiv Gandhi's death.

Swamy also told Wu that India will further develop her relations with China whichever political party is to be elected to power, because it is a national consensus in India to see a strengthened Sino-Indian relationship.

Balram Jhakar, a Congress (I) leader and former speaker of the Lok Sabha (lower house of the parliament), also bid farewell to Wu at the airport.

Wu, Swamy and Jhakar all expressed the hope to increase the exchanges between the two countries on the development of their respective countries.

Wu arrived here on Friday at the head of a 12-member delegation. During the stay in Delhi, he called on Indian President R. Venkataraman, Prime Minister Chandra Shekhar and Sonia Gandhi, widow of Rajiv Gandhi.

Chinese Ambassador to New Delhi Tu Guowei also was at the airport to see off Wu.

### **Arrives in Beijing**

OW2605110491 Beijing XINHUA in English  
1044 GMT 26 May 91

[Text] Beijing, May 26 (XINHUA)—Chinese Vice-Premier Wu Xueqian, special envoy of the Chinese Government, returned to Beijing by air this evening after attending the funeral of former Indian Prime Minister Rajiv Gandhi.

**Pakistani Parliamentary Delegation Visits****Departs Jinan for Nanjing**

*OW2405130691 Beijing XINHUA in English  
1220 GMT 24 May 91*

[Text] Jinan, May 24 (XINHUA)—A Pakistan parliamentary delegation headed by Speaker Gohar Ayub Khan left here for a visit to Nanjing this afternoon after receiving a warm welcome in Jinan, capital of east China's Shandong Province.

While in Jinan, the guests met with the heads of the provincial people's congress standing committee and the both sides expressed the hope to further develop the friendly relations between the two countries.

The guests visited a machinery plant, a hospital and a trade center in the city and joined the Chinese Moslems in worship at a mosque.

The Pakistan guests are expected to stay in Nanjing for a day or two before going back home.

**Seen Off by Wan Li**

*OW2705101691 Beijing XINHUA in English  
0936 GMT 27 May 91*

[Text] Beijing, May 27 (XINHUA)—Pakistani Speaker Gohar Ayub Khan wound up his nine-day visit to China and left for home by plane today.

Wan Li, chairman of the Standing Committee of the Chinese National People's Congress, saw Ayub Khan and his entourage off at the airport.

During his stay in China, Ayub Khan met Chinese President Yang Shangkun and Premier Li Peng, attended the 40th anniversary celebrations of the establishment of the Sino-Pakistani diplomatic relations and visited some Chinese cities.

Wan told Ayub Khan that his China visit deepened the understanding between the Chinese and Pakistani peoples, strengthened the friendship between the two parliaments and promoted bilateral relations of the two countries.

Ayub Khan expressed his gratitude for the warm welcome and hospitality he received during his visit, saying that he was very delighted to meet President Yang Shangkun and Premier Li Peng and visit Chinese cities.

He said that his visit strengthened the friendship between the two countries as well as their parliaments and peoples.

Ayub Khan presented Wan with a Pakistani national "swati" coat and a cap and helped him put on them. The guests and host then had a group photo taken to mark the occasion.

**Delegation Returns**

*OW2705210991 Beijing XINHUA in English  
1810 GMT 27 May 91*

[Text] Islamabad, May 27 (XINHUA)—Pakistani National Assembly Speaker Gohar Ayub Khan returned here today after a nine-day official visit to China.

He led a 12-member parliamentary delegation to attend the celebrations of the 40th anniversary of the establishment of the diplomatic relations between China and Pakistan.

Talking to newsmen at the airport, the speaker said during his stay in China, he called on Chinese President Yang Shangkun, Premier Li Peng and Chairman of the Standing Committee of the Chinese National People's Congress Wan Li and also held talks with them.

"China and Pakistan have identical perception on various regional and international issues, and enjoy mutual trust and confidence", he said, adding that beneficial prospects existed for more Chinese cooperation in the fields of trade, industry and nuclear power energy.

He reiterated that China has been Pakistan's most trusted and time-tested friend, "on which we have always relied and will rely in future".

He disclosed that Chinese President Yang Shangkun is likely to visit Pakistan this year at the invitation earlier extended by Pakistan President Ghulam Ishaq Khan.

**Pakistan Muslim League Delegation Arrives**

*OW2605131291 Beijing XINHUA in English  
1424 GMT 26 May 91*

[Text] Beijing, May 26 (XINHUA)—A delegation of the Pakistan Muslim League arrived in Beijing today for a goodwill visit to China at the invitation of the Chinese Communist Party (CPC).

This is the first delegation of the Muslim League to visit China as guests of the CPC.

Zhu Liang, director of the International Liaison Department of the CPC Central Committee, was at the airport to meet the delegation, which is headed by the league's Secretary General Iqbal Ahmad Khan.

The Pakistan Muslim League and other parties form the current ruling party, the Islamic Democratic Alliance.

**Meets Song Ping**

*OW2705121991 Beijing XINHUA in English  
1204 GMT 27 May 91*

[Text] Beijing, May 27 (XINHUA)—Chinese Communist Party leader Song Ping said here today that exchange of visits between the leaders of the Chinese Communist Party (CPC) and the Pakistan Muslim League (PML) are conducive to promoting Sino-Pakistan mutual understanding, friendship and co-operation.

Song, who is a member of the Standing Committee of the Political Bureau of the CPC Central Committee, made the remark in a meeting with a Pakistan delegation headed by Iqbal Ahmad Khan, secretary general of the PML.

According to a Chinese official present at the meeting, Song described the Sino-Pakistan friendship as an "all-weather" friendship, and he noted the friendly relationship between the two countries has been an example to countries with different social systems in developing bilateral relations.

Song also briefed the guests on China's socialist modernization efforts, the guidelines of the Eighth Five-Year Plan and the 10-Year Development Program, and the building of the CPC.

Iqbal said since the CPC and the PML initiated relations in 1988, the relationship has developed very well, and that he hoped such friendly relations could be further strengthened and developed.

Iqbal invited the CPC to send a delegation to visit Pakistan. Song expressed his appreciation and stated his pleasure in accepting the invitation.

Iqbal arrived in China on May 26 at the invitation of the CPC.

Zhu Shanqing, deputy head of the International Liaison Department of the CPC Central Committee, held talks with the delegation earlier today.

#### **Chi Haotian Meets Pakistani Navy Deputy Chief**

OW2805075291 Beijing XINHUA in English  
0605 GMT 28 May 91

[Text] Beijing, May 28 (XINHUA)—Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), met Sayed Mohammad Khan, deputy chief of staff of the Pakistan Navy, and his party here this morning at the Great Hall of the People.

The two sides expressed the hope to further the existing friendship between the peoples and the navies of the two countries.

The guests, who arrived here on May 26 at the invitation of the Chinese Navy, are also scheduled to visit Shanghai, Hangzhou and Guangzhou.

### **West Europe**

#### **Maltese Foreign Minister Visits, Views UN Role**

##### **Talks With Qian Qichen**

OW2405144091 Beijing XINHUA in English  
1407 GMT 24 May 91

[Text] Beijing, May 24 (XINHUA)—Qian Qichen, state councillor and foreign minister, held talks here this

afternoon with Guido de Marco, current chairman of the UN General Assembly and deputy prime minister and foreign minister of Malta.

According to sources at the Foreign Ministry, both sides exchanged views on bilateral relations and on international issues of common concern.

Recalling his meetings with Qian in recent years, De Marco said this was very conducive and not only promoted the relations between the two nations, but also helped his work at the UN.

He deemed that at present it is a very important issue to establish a new international order. He praised China as the first nation to call for the establishment of a new international order.

He said the new order should reflect the independence and sovereignty of all countries, promote their economic development and help the UN play roles.

During the talks, Qian stressed that the future world will be a multipolar and diversified one.

The new order should guarantee all nations have their own independent positions, be on equal footing and live in peace, he said, adding the order should safeguard peace, promote development, reduce poverty, wipe out undevelopment, narrow the South-North gap and protect the environment.

Qian said he agreed with De Marco on his viewpoint that the UN play a positive role in the establishment of the new order.

De Marco said he agreed with the proposition that all countries in the world participate in setting up the new order. He spoke highly of China for treating small- and medium-sized nations equally.

On Malta-China relations, De Marco said as China implements the foreign policy that all countries, no matter big or small, be on equal footing and respect each other, the two countries maintain good relationship.

Qian said he was satisfied with the growth of bilateral ties.

The two sides agreed to further strengthen cooperation in all fields between the two countries.

They also exchanged views on the issues concerning the Middle East, Gulf, Cambodia, Asia-Pacific region as well as on strengthening the UN role.

##### **Meets Li Peng**

OW2405145291 Beijing XINHUA in English  
1426 GMT 24 May 91

[Text] Beijing, May 24 (XINHUA)—Chinese Premier Li Peng met with Guido de Marco, current chairman of the UN General Assembly and deputy prime minister and foreign minister of Malta, and his party here this afternoon.

According to a Chinese official attending the meeting, Li expressed satisfaction with the development of the Sino-Maltese relations, and said the Chinese Government is willing to further enhance the friendly ties of the two countries.

On setting up the new international order, De Marco said the call for setting up new international political and economic orders, which was first made by China, is conducive to the safeguarding of world peace.

He admired China's stand for establishing the new international order which includes the new economic order.

The Chinese premier noted that so far the gap between South and North is expanding instead of narrowing and the deteriorating economy of many developing countries is the outcome of the unfair international economic order, the exchanges of unequal values between the raw products and processed products, and the heavy debts the Third World countries are burdened with.

"The widening gap between the rich and poor will increase the political turmoil and instability," he added.

De Marco said that it is of vital importance to promote the cooperation between the international community and China in setting up the new international order, enhancing world peace and security as well as in promoting human progress.

He said China's influence in the UN is of fundamental significance to a bigger role of the world body.

Qian Qichen, state councillor and foreign minister, attended the meeting.

### **Sees Yang Shangkun, Departs**

*OW2805112291 Beijing XINHUA in English  
1044 GMT 28 May 91*

[Text] Beijing, May 28 (XINHUA)—Chinese President Yang Shangkun met with Guido de Marco, current Chairman of the U.N. General Assembly and deputy prime minister and foreign minister of Malta, and his party here today.

According to sources at the Foreign Ministry, Yang extended a warm welcome to De Marco.

Yang said that although China and Malta are far from each other, the two countries have cherished many contacts in the fields of politics and economy since they established diplomatic ties and developed friendly and cooperative relations of mutual benefits.

He expressed hope and belief that the bilateral ties will grow.

Yang noted that the two nations share identical or similar views on many international issues and have very fine cooperation in the U.N. He hoped the relationship be further promoted.

Yang said that China is a big nation with a large population and that the country now is focusing on economic development. In the past decade, China has firmly pursued the reform and open policy, which, he added, will by no means change.

He also briefed De Marco on China's population policy.

He asked De Marco to convey his regards to Maltese President Vincent Tabone and welcomed the president to visit China at a convenient time.

During the hour-long meeting, De Marco spoke highly of China that initiated the establishment of a new international order and stressed that the Malta-China cooperation at the U.N. is fruitful.

He deemed that China has taken many positive actions in giving full play to and invigorating the U.N. roles.

China has always stood side by side with the Third World nations, he said.

The deputy prime minister said that Yang's introduction indicates that China is focusing its attention on domestic development and at the same time has played an important role in safeguarding world peace and promoting the development of human beings.

He noted that the Maltese Government attaches great importance to bilateral ties and the profound friendship developed between the two governments and peoples. He said he hopes such ties be further enhanced.

Later today, De Marco held a press conference and answered questions concerning his current visit to China and how to further strengthen the U.N. roles.

After the conference, he wound up his China tour and left here.

### **East Europe**

#### **Chi Haotian Meets Vacationing Romanian Officers**

*OW2705100291 Beijing XINHUA in English  
0934 GMT 27 May 91*

[Text] Beijing, May 27 (XINHUA)—General Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), met here today with a vacationing group of military officers from the Romanian Armed Forces, which is led by Army Chief of Staff Nicolae Matei.

The visitors, invited by the Chinese Defense Ministry, arrived on May 13 for a two-week visit. They have toured six Chinese cities and are scheduled to leave for home later today.



### **Albanian Government Statement on Nationwide Strike**

*OW2705092991 Beijing XINHUA in English  
0618 GMT 27 May 91*

[Text] Tirana, May 26 (XINHUA)—The Albanian Government today held a special meeting to discuss the deteriorating economic situation and mounting social tensions due to the ongoing general strike, the Albanian news agency ATA said today.

A government statement issued after the meeting said it had made great efforts to stabilize the country's economy and embark on a new road of development. However, the 11-day strike is continuing with 140,000 workers taking part.

The government will continue negotiations with the workers' trade unions to resolve problems, but the statement said some persons in the Independent Trade Union and the strike committee have abused workers' proper demands in an attempt to paralyze Albania, create social tension and destroy the people's unity.

This is the first time the government has condemned the strike organizers since the general strike began on May 16.

The statement criticized coal miners from a mine near Tirana for starting a hunger strike on Saturday, saying the action did not coincide with the people's interests.

The government appealed to the population to keep their distance from those who claimed extreme demands and paid lip service to order.

People should judge the government's merits according to the results of implementing the administrative program and law, but not by slanderous accusations of the government, the statement said.

The Albanian Government will continue to carry out its administrative program and adhere to law, the statement added.

### **President Accuses 'Speculators'**

*OW2605015891 Beijing XINHUA in English  
0037 GMT 26 May 91*

[Text] Tirana, May 25 (XINHUA)—Albanian President Ramiz Alia today accused some political speculators of trying to exploit the nationwide general strikes for political gains and appealed for an end to these strikes.

When meeting here today with miners' representatives from various regions, Alia pointed out that the ongoing strikes are bringing great losses to the economy and damaging the interests of the urban and rural citizens. Paralyzed transportation has already threatened food supply in some areas, he added.

He said one should not repress the desire of the majority of workers who hope to return to work without abandoning their economic demands. Workers have both the right to strike and the right to work, he stressed.

Some people are trying to run the strikes to an extreme and make political gains from them, which is "very dangerous and would split the ranks of the people," Alia warned.

He appealed to all laborers and other people to be on the alert against this kind of "speculative behavior," and fight against any attempt to stir up hostility and dispute among the people and mistrust in the government.

He praised the majority of the mine workers for preferring constructive talks to a work stoppage in settling their disputes with the government, saying that this represents a "mature and patriotic" approach.

What we need now are "unity, confidence in the future, stability and the will to work," he said.

Nationwide general strikes broke out for the first time in Albania's post-war history on May 16. Since May 20 when the government promised to meet the workers' demand for more salaries, workers in some enterprises have returned to work. But strikes are still underway in some key economic sectors, including railway transportation and the chemical industry.

### **Further on Strikes**

*OW2605152091 Beijing XINHUA in English  
1402 GMT 26 May 91*

[Text] Tirana, May 26 (XINHUA)—The Albanian Government today called on the coal miners on "underground" hunger strike to end their action, which began on Saturday.

Down in a mine shaft at Valias, Tirana, fasters demanded the government accept the economic claims of the country's independent trade union in early April and punish those responsible for the bloodshed in Shkodra on April 2.

While calling for an end to the strike for the sake of the miners' safety and in the interests of the country, the government in a broadcast appeal condemned the organizers for turning the strike into a political issue from an economic one.

The hunger strike was the climax of a ten-day general strike beginning on May 16, when an independent trade union leader said there would be no end until the government met all their demands, including a 50 percent wage rise.

According to the local press, troops were called in to blockade the Valias mine after the government warned in its broadcast of the disastrous consequences of the miners' action for the country.

### **Agreement Reached on United Yugoslav Market**

*OW2805091291 Beijing XINHUA in English  
0636 GMT 28 May 91*

[Text] Belgrade, May 27 (XINHUA)—Prime Minister of the Federal Government Ante Markovic and the prime



ministers of six republic governments reached an agreement here today on the normal operation of a united Yugoslav market, reported TANJUG.

Under the agreement, the united market will clear away all obstacles to the free flow of commodities and currency. All decrees proclaimed by the various republics which may affect the free flow of commodities and obstruct the normal operation of the united market will be invalidated.

The various republics will adopt concrete measures to implement the agreement and will revise and amend some of their laws accordingly, the agreement said.

Over a long period of time, the various republics over-emphasized their own interests by implementing only those economic policies of the federal government that were beneficial to them while boycotting those that were not in their interests. This led to a breakup of the united Yugoslav market.

Observers here noted that should today's agreement be really carried out in Yugoslavia, a favorable turn will emerge in the country's economy.

### **Most Hungarians See Fall in Living Standards**

*OW2705091291 Beijing XINHUA in English  
0756 GMT 27 May 91*

[Text] Budapest, May 26 (XINHUA)—Two-thirds of Hungary's 10.6 million people agree that the country's standard of living is continuing to drop and that it's becoming increasingly more difficult to buy daily necessities, according to a recent public opinion poll.

Ninety-five percent of the people interviewed said increases in income could not keep pace with price hikes, while only three percent thought they did, Hungary's news agency MTI reported today.

The MTI News Agency said most of the complaints primarily came from middle-aged people.

MTI said that 90 percent of the people surveyed agreed they could now buy less goods with their income compared to last year, seven percent said they could buy the same amount, and only two percent believed they could buy more than they could over the previous year.

When asked to compare their current situation with that of three or four years ago, eighty percent of the people polled said their standard of living had dropped, four percent had the opposite view, and 16 percent said there had been no change in their livelihood, according to MTI.

Responding to the question of how they spent their money, 38 percent of those polled said their finances weren't too bad, 40 percent said they had to strictly budget their money, 10 percent said they didn't have enough money to spend and a mere six percent believed their livelihood was pretty good.

### **Polish Foreign Minister Outlines Diplomacy**

*OW2805092791 Beijing XINHUA in English  
0629 GMT 28 May 91*

[Text] Warsaw, May 27 (XINHUA)—Polish Foreign Minister Krzysztof Skubiszewski said that Poland, Czechoslovakia and Hungary will conclude bilateral agreements rather than political cooperation treaties among them.

He made the remarks at the opening ceremony of an annual meeting of the International Mass Communication Committee today.

Skubiszewski said Poland is also willing to establish relations of cooperation with Germany in the hope that the Polish-German boundary will become "one of cooperation" instead of "one dividing the rich from the poor."

On regional cooperation, the foreign minister stressed that Poland values such a cooperation and believed it beneficial to all parties concerned that his country participates in "Baltic cooperation" or the activities of the group of five, namely, Austria, Czechoslovakia, Yugoslavia, Hungary and Italy.

Skubiszewski expressed concern over the Soviet domestic situation, saying "the domestic crisis in the Soviet Union would affect the whole world, central and Eastern Europe in the first place."

Security in central and Eastern Europe and the whole continent would become a problem because of the crisis, he added.

The foreign minister noted that his country wishes to "maintain close relations" with the Soviet Union and is at the same time ready to "develop friendly ties" with the various republics of the Soviet Union.

## **Latin America & Caribbean**

### **Mexican Foreign Affairs Secretary Visits**

#### **Meets Qian Qichen**

*OW2405102691 Beijing XINHUA in English  
0949 GMT 24 May 91*

[Text] Beijing, May 24 (XINHUA)—China and Mexico today pledged to further their bilateral relations.

The desire was shared by Chinese State Councillor and Foreign Minister Qian Qichen and visiting Mexican Secretary of Foreign Affairs Fernando Solana at their talks here today.

According to Chinese Foreign Ministry sources, Solana said in the talks that the relations between Mexico and China are good, but still have great potentials for development. Mexico, he continued, regards Mexico-China friendship as a property worth of being cherished. It holds that Taiwan is a province of China and Mexico will

strengthen and develop its all-round friendly and cooperative relations with the People's Republic of China only, he said. There is no doubt that Mexico will persist in this basic policy.

Expressing his satisfaction over the Sino-Mexican relations, Qian said there will be broad prospects for the development of the relations. The Chinese Government, he said, appreciates the Mexican Government's adherence to its "one China" policy. China is willing to make new efforts, together with Mexico, to promote their friendly relations of cooperation, Qian said.

Responding to Solana's briefing about the domestic situation and foreign policy of his country, Qian expressed appreciation for the policies pursued by the present Mexican Government, which resulted in the social stability and economic recovery and development in the country.

Qian spoke highly of Mexico's policies of developing its relations with all countries in the world and its important role in international affairs. "We appreciate this open and multilateral policy of Mexico's," Qian said.

Solana extended his congratulations to China for its realization of political stability and economic development and for its important role in international affairs.

Qian and Solana also exchanged their views on international issues of common concern and on the role of the United Nations.

The Mexican foreign secretary arrived here Thursday evening at Qian's invitation.

### Meets Yang Shangkun

OW2405122691 Beijing XINHUA in English  
1158 GMT 24 May 91

[Text] Beijing, May 24 (XINHUA)—Chinese President Yang Shangkun said here this afternoon that China and Mexico shared many common grounds and the prospect for the development of the Sino-Mexican friendly cooperation is very bright.

Yang said this in his meeting with visiting Mexican Secretary of Foreign Affairs Fernando Solana at the Great Hall of the People here this afternoon.

Yang said that the Sino-Mexican friendship has a long history. Contacts between the two peoples date back to the ancient time. Now there should be closer contacts between the two countries since transport facilities have become more and more convenient.

Yang mentioned his visit to Mexico May last year during which, Yang said, he was warmly welcomed by President Carlos Salinas de Gortari, the Mexican Government and the people. This demonstrated the deep feelings the Mexican people had to the Chinese people, Yang added.

Yang asked Solana to convey his greetings and sincere thanks to President Salinas, saying that China is looking forward to Salinas' visit to China.

At the beginning of the meeting, Solana conveyed the greetings to Yang from Salinas, describing Yang's state visit to Mexico last year as very important and marking a new stage of their bilateral relations and playing an important role in further promoting the Mexican-Chinese friendly cooperation.

Solana told Yang that at present Mexico has formulated a new strategy for the economic development and China in the same way also worked out the 10-Year Development Program and the Eighth Five-Year Plan, which offered more favorable conditions for the friendly cooperation between the two countries, especially for their economic and trade cooperation.

On request, Yang also briefed the guest on essentials of China's Eighth Five-Year Plan and the 10-Year Development Program.

### Talks With Li Peng

CM2805123391 Beijing XINHUA Domestic Service  
in Chinese 1416 GMT 24 May 91

[Text] Beijing, 24 May (XINHUA)—Chinese Premier Li Peng expressed the hope for further economic relations with Mexico, as he met with Fernando Solana, Mexican secretary of foreign affairs, in Zhongnanhai's Purple Light Pavilion here this afternoon.

At the meeting, Li Peng said that although China and Mexico are located far away from each other, the friendly relations of cooperation between China and Mexico have enjoyed steady development since they established diplomatic relations 19 years ago.

On major international issues, he said, the two countries share much "common language," and have maintained regular consultations. He noted that China and Mexico—both of which are developing nations—have many common points.

"We are willing to maintain consultations and conduct explorations with Mexico on the issue of establishing a new international political and economic order," a Chinese official quoted Li as saying.

The Chinese premier expressed the belief that Solana's visit will help further the mutual understanding and boost the development of relations between the two countries.

Li said that both China and Mexico are enjoying economic development and that bilateral economic and trade cooperation enjoys enormous potential, adding that China is ready to further strengthen economic cooperation and expand trade with Mexico on the basis of equality and mutual benefit.

Solana said that Mexico attaches great importance to its relations with China and hopes to maintain regular political dialogue and to cement economic cooperation with China.

In addition, he said, Mexico expects China, as a permanent member of the U.N. Security Council, to continue playing a positive role in international affairs.

In an account of Mexico's domestic situation, Solana said the country had introduced a new economic development strategy since the beginning of the 1980s, along with a readjustment in the financial and trade sectors, thus making economic progress.

Referring to the present complicated and turbulent international situation, Li Peng said that the disparity between North and South is widening and that developing countries face many difficulties.

That Mexico has achieved economic development against such a background is admirable, he said.

At his guest's request, Premier Li Peng gave a briefing on the principal policies and measures China has adopted to deal with inflation and bring about a turn for the better in its industrial production, which was once on the decline. He said that China's industrial production is now on the track of normal development. Li also stated the major goals of China's development program for the 1990s and its current reform measures.

This evening, Vice Premier Zhu Rongji met and feted the Mexican secretary of foreign affairs and his party at the Shoudu Guesthouse.

In the afternoon, the Mexican secretary of foreign affairs held a news conference to brief Chinese and foreign reporters on his talks with Chinese leaders and to state Mexico's desires and efforts in seeking to participate in the U.S.-Canada-Mexico tripartite trade zone.

In reply to a reporter's question on the current situation in Sino-Mexican relations, Foreign Affairs Secretary Solana said: Next year will be the 20th anniversary of the establishment of diplomatic ties between the two countries. Presently, the relations between Mexico and China are very good, although there are still a lot of things that can be done. Further steps should be taken to strengthen exchanges between the two countries in the economic, trade, culture, and education fields. There are bright prospects for Mexican-Chinese relations.

#### **Holds News Conference**

*OW2405155191 Beijing XINHUA in English  
1429 GMT 24 May 91*

[Text] Beijing, May 24 (XINHUA)—Mexico is seeking to join a three-nation free trade area and attaches importance to the development of relations with countries in the Pacific region, especially those having long relations with Mexico.

Fernando Solana, secretary of Foreign Affairs of the United Mexican States, made these remarks at a press conference here this afternoon during his two-day official visit to China.

He expressed hope that the open free trade area, composed of the United States, Canada and Mexico, would spark the world economy and benefit all countries.

Answering a question about the current state of Sino-Mexican relations, Solana said that the relations between China and Mexico are good. However, he added, the two sides agreed that there's a lot that can be done to enhance bilateral relations in the fields of economy, trade, culture, education, and science and technology; and mutual exchanges and cooperation should be strengthened and increased.

#### **Ends Visit, Departs**

*OW2505072691 Beijing XINHUA in English  
0519 GMT 25 May 91*

[Text] Beijing, May 25 (XINHUA)—Mexican Secretary of Foreign Affairs Fernando Solana and his party left here for Hong Kong by air today after an official visit to China.

#### **Chen Muhua, NPC Delegation Meet Cuba's Castro**

*OW2405130091 Beijing XINHUA in English  
0613 GMT 24 May 91*

[Text] Havana, May 23 (XINHUA)—Cuban President of State Council Fidel Castro Ruz said here today that a strong China was significant to the world.

Castro made the remarks when meeting with the Chinese National People's Congress (NPC) delegation led by Chen Muhua, vice-chairman of the NPC.

After acquiring detailed situation in China's agricultural development and family planning, Castro said that China had a lot of experience and Cuba should learn from it.

A strong China upholding socialism was significant to Cuba and the world, said Castro, who is also president of the Council of Ministers.

Cuba will adhere to socialism, and will overcome the current difficulties, the president said.

The Chinese NPC delegation arrived in Havana on Wednesday for a four-day friendly visit at the invitation of Cuban National Assembly.

#### **Castro Meets Friendship Delegation**

*OW2305201391 Beijing XINHUA in English  
1641 GMT 23 May 91*

[Text] Havana, May 23 (XINHUA)—Cuba is very interested in China's experiences in building socialism, Cuban President Fidel Castro said here Wednesday.

In a meeting with a friendship delegation of the Chinese Communist Party (CPC) headed by Zhao Zongnai, Central Committee member and deputy director of the Organization Department of the party, Castro asked the Chinese guests to convey his greetings to CPC General Secretary Jiang Zemin, Chinese President Yang Shangkun, and Premier Li Peng.

Despite its shortage of farmland, China resolved the problem of feeding a population of over one billion, Castro said.

He said it was necessary to further strengthen friendship between the two parties as well as the Cuban and Chinese peoples and nations.

Zhao praised Cuba's determination and confidence in the socialist future and in solving the problems faced by the island country.

The Chinese delegation, which arrived here on May 15 for a friendly visit, left here for home on Wednesday.



## Political & Social

### Senior Leader Warns Against 'Hostile Forces'

HK2805080491 Hong Kong AFP in English 0737 GMT 28 May 91

[Text] Beijing, May 28 (AFP)—A senior Chinese leader has warned that communism will fall in two decades unless the next generation of political leaders is steeped in Marxist ideology, an official party newspaper reported Tuesday.

"Hostile forces in China and abroad admit that to topple us is impossible at present. They place their hopes 10 to 20 years in the future," Politburo member Li Ximing was quoted as saying. "We are facing them in a serious struggle in fighting for the younger generation."

"If we foster well the succeeding generation that crosses the centuries, our cause will be greatly developed," he said. "If we do this work poorly, we will fall from power no matter how well we do our other work."

The BEIJING DAILY—the organ of the Beijing Municipal Communist Party Committee headed by Mr. Li—was quoting him speaking Monday to a working meeting of the capital's party school.

Mr. Li said leaders who had taken part in the early days of the communist revolution were becoming fewer in number and would retire in the next 10 years.

Their "revolutionary successors" should be steeped in Marxism-Leninism and the ideology of Mao Zedong, he urged.

"We must foster our successors well before the succession. Otherwise, we the present generation will have failed to do our duty to the party and people," Mr. Li said.

Leaders here have watched the demise of hard-line communism in eastern Europe with apparent concern, but have maintained that China will adhere strictly to Deng Xiaoping's vision of "socialism with Chinese characteristics."

Since the suppression of the 1989 pro-democracy movement, the authorities have tried to tighten control over ideology, repeatedly warning against "hostile foreign forces" seeking to overthrow the socialist system.

These forces were trying to replace socialism with capitalism through "peaceful evolution" rather than force, Beijing's ideologues have said.

### Youth Arrested for Prodemocracy Involvement

HK2705032491 Hong Kong MING PAO in Chinese 27 May 91 p 8

["Special dispatch": "Shanghai Youth Arrested on Suspected Involvement in Underground Publication"]

[Text] According to news from Shanghai, Fu Shengwei [0265 3947 1142], a Shanghai youth taking part in

prodemocracy movements in 1986 and 1989, was arrested last Friday (24 May). Public security personnel went to his home and confiscated some mimeographed articles. He was probably suspected of being involved in underground publications. According to people who know Fu Shenqi well, however, he had not participated in such an activity for a quite long time.

### Jiang, Song Write Names for TV Film, Book

OW2705145491 Beijing XINHUA Domestic Service in Chinese 1007 GMT 27 May 91

[By reporter Sun Benyao (1327 2609 1031) and Chen Weiping (7115 5898 1627)]

[Text] Beijing, 27 May (XINHUA)—The Organization Department of the CPC Central Committee, the Central Television Station, and the Xinhua Publishing House jointly held a premiere for a television serial film, "The Mainstay," and a distribution ceremony for a book on personalities entitled *Good Cadres of the People* in the Great Hall of the People today to mark the CPC's 70th founding anniversary.

Jiang Zemin and Chen Yun wrote the film name "The Mainstay" and the book title *Good Cadres of the People*, respectively. Wang Zhen, vice president of the PRC; Bo Yibo, vice chairman of the Central Advisory Commission; and Kang Shien, member of the Standing Committee of the Central Advisory Commission, attended today's premiere and distribution ceremony. Wang Zhen and Bo Yibo made speeches.

"The Mainstay," a 10-part television film produced by the Organization Department of the CPC Central Committee and the Central Television Station, contains truthful and valuable historical materials as well as deeds of outstanding Communist Party members in different periods. With the party's nature, purpose, guiding ideology, and work target and party members' exemplary role as the main points, it authentically portrays the CPC's brilliant fighting course, eulogizes the selfless spirit of dedication of Communists, expresses the blood-and-flesh ties between the party and the masses, and shows the truth that the CPC is the mainstay of China's revolution and socialist construction. It is reported that the Central Television Station will show this serial film continuously, beginning 29 May.

*Good Cadres of the People* was written mainly by the Organization Department of the CPC Central Committee and published by the Xinhua Publishing House. The four-volume book contains 10 newsletters on outstanding leading cadres at various levels, portraying in different perspectives the spirit of leading cadres of various fronts in keeping to the party's basic line, serving the people wholeheartedly, maintaining close ties with the masses, working diligently and honestly, and dedicating themselves selflessly. *Good Cadres of the People* is being praised by people of all sectors as a good teaching material for giving publicity to the

advanced people and deeds, encouraging the healthy trend, and carrying on and developing the fine tradition and workstyle of the party.

Zeng Zhi, Lu Feng, Mu Qing, Xu Weicheng, and Meng Liankun were among those attending today's premiere and distribution ceremony.

#### **Zou Jiahua Attends Rare Earth Exhibition**

*OW2605005191 Beijing Central Television Program  
One Network in Mandarin 1300 GMT 21 May 91*

[From the "Night News" program]

[Text] The National Rare Earth Exhibition opened in Beijing today. The exhibition showcases China's new achievements in the exploration and utilization of rare earth since 1986. Zou Jiahua, vice premier of the State Council, and Fang Yi, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, attended today's opening ceremony.

#### **Ding Guangen Attends Memorial Service**

*OW2405222691 Beijing XINHUA Domestic Service  
in Chinese 0629 GMT 22 May 91*

[By reporter Niu Changzheng (3662 7022 1767)]

[Excerpt] Beijing, 22 May (XINHUA)—A farewell to the remains of Ye Renshou, Standing Committee member of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC], was held in the Assembly Hall of the Babaoshan Cemetery for Fallen Revolutionaries on the morning of 22 May.

Ye Renshou died of illness at the age of 70 in Beijing on 5 May this year. In his lifetime he served as vice chairman of the Henan Provincial CPPCC Committee, standing committee member of the Executive Committee of the All-China Federation of Industry and Commerce, chairman of the Henan Provincial Federation of Industry and Commerce, and vice president of the Golf Association of China.

A total of more than 300 people, including Ding Guangen, Wang Guangying, the responsible persons of the United Front Work Department of the CPC Central Committee, the CPPCC National Committee, relevant democratic parties, and the All-China Federation of Industry and Commerce, and good friends of Yen Renshou's during his lifetime, participated in the farewell ceremony.

Li Xiannian, Ding Guangen, Rong Yiren, Sun Qimeng, Wang Renzhong, Yang Jingren, Kang Keqing, Hu Ziang, Wang Guangying, Ma Wenrui, Cheng Siyuan, Qian Zhengying, the CPPCC National Committee, the United Front Work Department of the CPC Central Committee, relevant democratic parties, the All-China Federation of Industry and Commerce, and relevant departments sent wreaths. [passage omitted]

#### **People in Tibet Discuss Li Peng Interview**

*HK2405124091 Beijing RENMIN RIBAO in Chinese  
21 May 91 p 1*

["Dispatch" by reporter Chen Hua (7115 5478): "People of Various Circles in Tibet Discuss Li Peng's XINHUA Interview"]

[Text] Lhasa 20 May (RENMIN RIBAO)—On the eve of the 40th anniversary of Tibet's peaceful liberation, State Council Premier Li Peng answered XINHUA reporters' questions. This evoked enthusiastic repercussions among people of all nationalities from all walks of life in Tibet. Today this reporter interviewed representatives of the various nationalities and people of various circles on their impressions of the premier's interview.

Jiamzhong Gyaicain Puncog, vice chairman of the Tibet Autonomous Regional Committee of the Chinese People's Political Consultative Conference [CPPCC], was a member of the staff of Ngapoi Ngawang Jigme, who went to Beijing to sign the 17-article agreement on measures to peacefully liberate Tibet. As an eyewitness of that historical event, when he read in the newspaper the paragraph in which Premier Li Peng dealt with the historic significance of Tibet's peaceful liberation, he could not help evoking memories. He said: "After Changdu was liberated, I accompanied Vice Chairman Ngapoi to Lhasa. At that time, the Dalai Lama and Gexia government officials gave us a send-off party for holding talks in Beijing on Tibet's peaceful liberation. I was very moved when Premier Zhou Enlai personally greeted us at the Beijing station. Thanks to democratic reforms introduced in Tibet, the masses of people have really become masters of their own destiny and their lives are getting better and better everyday. With such a good life, some people are still working for Tibetan independence. The masses get very angry with them."

As a representative of the masses, Duoji, a herdsman from Naqu Prefecture, is due in Lhasa to attend activities to celebrate the 40th anniversary of Tibet's liberation. When talking about the great changes taking place in Tibet as discussed in Premier Li Peng's interview, this 57-old herdsman immediately stated the changes his family had experienced: "Before liberation, my family had seven or eight cows and over 20 sheep. It would be fine to have highland barley to eat. We simply did not have enough to eat. Now, there are nine members in my family and we have 8,000-9,000 jin of grain in stock. Before 1951, we lived in a tattered tent and housing was simply out of the question for us. Now we have a house with six rooms equipped with ka dian (0595 1067) and various Tibetan cabinets."

When interviewed, Yuedeng Puncog, deputy of the regional People's Congress and chairman of the People's Congress' Legislative Affairs Committee, said: "Now Tibet enjoys greater decisionmaking power than the other provinces and autonomous regions. In accordance with the Constitution and the Regional National Autonomy Law, our autonomous region is working out

regulations on regional national autonomy in the light of Tibet's realities. At present, Tibet has some 20 local laws and regulations. The facts have shown that the central authorities' policy toward Tibet represents the interests of the people in Tibet." In conclusion, he said: "From 1951 to 1959, the people in Tibet witnessed the Communist Party's policy and after eight years of experience and thinking, they chose the socialist road. This is the conscious choice of the millions of serfs and patriotic people rather than a choice imposed by others forcefully."

Today, this reporter met by chance with Qiazha Qiangbachile, member of the CPPCC National Committee and director of the Cultural Relics Management Office of the Zhashilunbu Monastery. This living Buddha of notable character and high prestige told this reporter: He learned of Premier Li Peng's speech from the radio. The central government's policy toward the Dalai Lama left the deepest impression on him: "The policy of the Communist Party and the central government toward the Dalai Lama is correct. Tibetan independence is impossible. In the 1950's, I also made statements about Tibetan independence. However, has Tibet achieved independence now? No, not yet. What is around us is the fact that great changes have taken place in Tibet. If the Dalai Lama changes his 'Tibetan independence' stand, religious believers in Tibet will welcome his early return to the motherland."

### Li Tieying Travels to Tibet for Anniversary

#### Visits Armed Police

OW2405222891 Lhasa Tibet Television Network  
in Mandarin 1200 GMT 23 May 91

[From the "Tibet News" program]

[Text] On the afternoon of 22 May, when people of all nationalities in Tibet were immersed in festive celebrations, leading comrades from the central delegation and from Tibet's party committee, government, and military went to Tibet's armed police corps headquarters to cordially visit armed police officers, men, public security cadres, and policemen and to extend festival greetings to them. [Video shows Li Tieying shaking hands with officials standing in welcoming line]

On the afternoon of that day, when armed police officers and men and public security cadres and policemen heard that leaders from the central delegation and the autonomous region would call on them, they were all filled with joy. They lined up in high spirits to welcome the leading comrades' arrival.

At 0410, when the central delegation, led by Li Tieying, Wang Renzhi, and Zhou Wenyan, and Tibet's party and government leaders, including Raidi, Gyaincain Norbu, Mao Rubai, Danzim, Zi Cheng, Gyamco, and Yang Youcai, chief procurator of the Tibet Autonomous Regional Procuratorate, arrived at the front gate of the armed police corps headquarters, the area was filled with

the crackling of firecrackers and with applause. Women fighters presented flowers to leaders of the central delegation and the autonomous region. Later, in the company of armed police corps leaders Baima Duoqi, (Zhou Qishun), (Li Jiarui), and (Zhang Zhu), leaders of the central delegation and of Tibet processed past the welcoming armed policemen lining both sides of the entrance to the auditorium to have a photo taken with armed police cadres and fighters. [Video shows Li Tieying, others walking past armed policemen standing in rows. Li Tieying gives flowers to policewoman standing in crowd, shakes hands with armed policemen.]

After a photograph was taken, Comrade Li Tieying spoke. [video shows Li Tieying in medium close-up speaking]

He had high praise for Tibet's armed police officers, men, public security cadres, and policemen and for their notable contributions to maintaining Tibet's stability and unity. He said: While people of all nationalities in Tibet are warmly celebrating the jubilant 40th anniversary of Tibet's peaceful liberation, we think of your contributions. Our being able to hold such grand celebrations today to mark Tibet's liberation anniversary is the result of great efforts by all armed police officers and men and all public security cadres and policemen to preserve the motherland's unification and to maintain Tibet's stability and unity. On behalf of the party Central Committee, the National People's Congress, the State Council, and the Central Military Commission, I extend my warm festival greetings and high respects to you all. Li Tieying continued: When General Secretary Jiang Zemin inspected work in Tibet last year, he wrote the inscription: The People's Police on the Plateau; Dedicated Guards of the Motherland, for Tibet's armed police troops and public security forces. This inscription represents the appraisal of your work by the party Central Committee and people across the country. I hope that you, following this instruction, will continue to make new contributions to building a prosperous and civilized new Tibet.

In his speech, Baima Duoqi, director of the Tibet Autonomous Regional Public Security Bureau, thanked leaders of the central delegation for visiting and for their encouragement, pledging to make greater contributions to maintaining Tibet's stability and the motherland's unification and successfully accomplish the honorable task entrusted to them by the party Central Committee.

#### Pays Homage to Martyrs

OW2505033591 Lhasa Tibet Television Network  
in Mandarin 1200 GMT 22 May 91

[From the "Tibet News" program]

[Text] Accompanied by Comrades Raidi, Gyaincain Norbu, Zhang Xuezhong, and other leaders of the party, government and military organizations in Tibet Autonomous Region, a central delegation with Li Tieying as head and Wang Renzhi and Zhou Wenyan as deputy



heads went to the Xijiao Martyrs' Mausoleum in Lhasa on the afternoon of 21 May to pay homage to the martyrs who heroically sacrificed their lives for the cause of Tibet's revolution and construction and to respectfully lay wreaths at the Monument to the Martyrs.

On that afternoon, the sun shone bright over the mausoleum and the surrounding green pine trees and verdant cypress trees. Two awe-inspiring fighters of the armed police stood at the two sides of the towering monument. The mausoleum as a whole seemed exceptionally solemn and dignified.

The central delegation, Chengdu Military Region, Tibet Military District; the regional party committee, government, people's congress and committee of the Chinese People's Political Consultative Conference; and the veteran comrades who had worked in Tibet respectfully laid wreaths at the monument. The elegiac couplet on one of the wreaths read: Dedicated to the Revolutionary Martyrs Who Defended the Border Area and Developed Tibet.

Then, Li Tieying and other leading comrades bowed three times to the Monument to the Martyrs, deeply cherishing the memory of the revolutionary martyrs. [Video, in black and white, opens with medium shots of Li Tieying, in Chinese tunic and trousers, and dozens of other officials walking slowly to the Monument to the Martyrs, followed by shots showing large wreaths being placed at the monument, and Li and all other officials making three deep bows before the monument. A closeup then shows Li standing and talking to others at the mausoleum] Comrade Li Tieying said: It is necessary to draw up a good plan for the mausoleum of the martyrs and the environment, and to develop an area opening to the outside. Every year, on Tomb-Sweeping Day, a memorial ceremony can be held for the spirit of the martyrs.

The regional party, government, and military leaders who also attended the ceremony of laying wreaths at the monument were Chen Hanchang, Geng Quanli, Lang Jie, Gong Daxi and Jimzhong Gyaincain Puncog and former leaders of the autonomous region (Ren Yong), Yin Fatang, (Fan Ming) and other comrades.

#### Attends Ceremony

OW2605070691 Lhasa Tibet Television Network  
in Mandarin 1200 GMT 24 May 91

[From the "Tibet News" program]

[Excerpts] The 40th anniversary of Tibet's peaceful liberation falls on 23 May. Li Tieying, head of the CPC Central Committee delegation; Ngapoi Ngawang Jigme, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] and chairman of Tibet Regional People's Congress; Wang Renzhi and Zhu Wenyan, deputy heads of the CPC Central Committee delegation; and members of the delegation arrived at the tent of Tibet's regional CPPCC at 1030 on 23 May, accompanied by Tibetans party, government, and

military leaders, including Reidi, Gyaincain Norbu, Danzim, and Jiang Hongquan. [passage omitted] [Video shows Li Tieying and group walking toward a tent set up in a park where a forum was held]

Li Tieying, member of CPC Central Committee's Political Bureau, state councillor, and head of the CPC Central Committee delegation, made an important speech. He first conveyed warm regards and greetings to all patriots of various nationalities and circles in Tibet on behalf of the CPC Central Committee, the CPPCC National Committee, the State Council, and the Central Military Commission. [passage omitted]

Li Tieying said: Tibet's united front work has been further enhanced and developed under the leadership of the party Central Committee through the hard work of party organs at all levels in Tibet. The system whereby the CPC cooperates with patriots of all nationalities and various circles through political consultation has been formed. The party's leadership in united front work has been further enhanced, the socialist democracy has been further developed, and the united front work has become more wide-ranging than ever before. Li Tieying said: The 1990's will be the crucial period in which to achieve the second phase strategic goal in China's socialist development as well as a time for Tibet to focus on economic development by placing utmost efforts on the two major tasks of developing the economy and stabilizing the situation. It also is a crucial period in the drive to achieve our economic development goal by the end of the century. In the new historical period of development, we must consolidate the industrial and agricultural federations by relying on peasants, farmers, workers, intellectuals, and other working masses; to further develop the most wide-ranging united front, to enhance the unity of various nationalities in Tibet, to bring forward the united front's superior tradition of self-education, to earnestly implement the party's nationalities policy, to perfect the nationality regional autonomy system, and to make contributions toward the harmonized progress and prosperity of all nationalities. [passage omitted] [video shows Li Tieying and group participating in traditional dance and accepting Hada, pieces of white silk, from people in the education field]

Li Tieying said that the Hada should be given to veteran comrades who have dedicated their entire lives to Tibet's education work. He said that giving education development priority status in the strategy for economic development has been a major policy of the Central Committee since the Third Plenary Session of the 11th CPC Central Committee. It also is one of China's basic national policies. In the 40 years since Tibet's liberation, great results have been achieved in the education field, although we must recognize that there is still an approximately 40 percent illiteracy or semi-illiteracy rate in Tibet. The Eighth Five-Year Plan and the Ten-Year Development Program have laid the arduous task before the party and the entire society of implementing a



nine-year compulsory education system and of eliminating illiteracy and semi-illiteracy among the young by the end of the century.

Li Tieying also pointed out that to develop Tibet's education work, we must first work hard to develop basic education, to further improve the education system, to enable a large number of the younger generation of the Zang nationality to receive education; and, at the same time, to actively promote the ideology of respecting knowledge, science, and talents in the entire society. We must make the broad masses of peasants and herdsmen aware that it is foolish and erroneous to neglect education. Li stated that the Central Committee will continue to render strong support toward Tibet's education work, and that support in terms of teaching staff and materials will be given to all types of schools at all levels in Tibet. Tibetan classes opened in the hinterland have achieved significant results and will be continued in the future; meanwhile, the best qualified youth of Zang nationality will be sent to the hinterland for training. [passage omitted] [Video shows Li Tieying and group watch a group of veteran cadres performing traditional Tibetan dance and cut to show Li Tieying shaking hand with an old man]

Li Tieying expressed his warm regards to the veteran cadres who have made contributions to Tibet's revolutionary and development work. When Li Tieying shook hands with old hero (Bude), (Bude) asked Li Tieying: "How is the health of Comrade Deng Xiaoping? How is the health of General Secretary Jiang Zemin and Premier Li Peng?" Li Tieying replied: "Comrade Xiaoping is in very good health. General Secretary Jiang Zemin and Premier Li Peng also are in very good health." The old man smiled with joy.

In his speech, Li Tieying said that respecting the old and the virtuous is a good tradition of the Chinese people. He added that the veteran cadres embody the spirit of hard work and selfless dedication, and to inherit and bring forward this revolutionary tradition is the basic guarantee for the prosperity and progress of our development work. [passage omitted]

### **Inspects Potala Palace**

*OW2405122891 Beijing XINHUA in English  
1154 GMT 24 May 91*

[Text] Lhasa, May 24 (XINHUA)—Central delegation leader Li Tieying and delegation members inspected the refurbishing of the Potala Palace and met with the project participants here today.

Li, who is here heading the delegation taking part in the celebrations marking the 40th anniversary of peaceful liberation of Tibet, praised the project participants for their excellent work.

Li, a member of the Political Bureau of the Central Committee of the Communist Party of China and state

councillor, also serves as an honorary leader of the leading group for the refurbishing project.

Located in the northwestern corner of Lhasa and commanding a magnificent view of the Lhasa River valley, the Potala Palace was first built in the 7th century and expanded during the 17th century. Part of the structure is crumbling down owing to long years of disrepair.

Refurbishing began in 1989 with a government grant of 40 million yuan. The project is being undertaken by the Lhasa Ancient Architecture and Art Co. with the help of engineers and technicians from the interior, and it is expected to be completed by the end of 1993.

### **Meets Religious Figures**

*OW2705073591 Beijing XINHUA in English  
0624 GMT 27 May 91*

[Text] Lhasa, May 27 (XINHUA)—Li Tieying, a Political Bureau member of the Chinese Communist Party's Central Committee, has reaffirmed that the party will not change its policy on religion.

While meeting with Tibetan religious personages here Sunday, Li said that the party's policy on religion is guaranteed by the Constitution and laws.

Also head of the central delegation for the celebration of the 40th anniversary of the peaceful liberation of Tibet, Li stressed, "We must ensure the freedom to believe in religion and carry religious activities while resolutely opposing splittist activities and attempts to sabotage stability and unity in the guise of religion."

He cherished the memory of the 10th Panchen Lama and praised his outstanding achievements.

He called on Tibetan religious personages to carry forward the spirit of the Panchen Lama and to love the Communist Party, the country and religion.

Tibet is a region where 90 percent of the people are religious, according to Sengqen Losang Gyaincain, vice-chairman of the Standing Committee of the People's Congress of the Tibet Autonomous Region and vice-chairmen of the Tibet branch of the Chinese Buddhist Association.

The party organizations and governments at different levels have strived to implement the policy on religion to enable Tibetan people to live a religious life freely ever since the early 1980s. The present religious facilities have basically met the needs of the religious, the vice-chairman said.

On behalf of the lamas and the religious, Qazha Qamba Chili, head of the Zhaxi Lhunbo's democratic administration, expressed his gratitude to the state for paying attention to protecting the remains of the Panchen Lama and seeking his incarnation while allocating huge funds to constructing a gold-gilted stupa and a hall for offering sacrifices to the Panchen Lama.

In addition, the central delegation visited farmers and herdsmen, met with people who came to work in Tibet from China's interior and held talks with cadres working in grass-roots units in Lhasa, capital of the region.

### Returns to Beijing

OW2805090991 Beijing XINHUA in English  
0805 GMT 28 May 91

[Text] Beijing, May 28 (XINHUA)—The central delegation, after participating in the celebration of the 40th anniversary of the peaceful liberation of Tibet, arrived in Beijing today from Lhasa, capital of the Tibet Autonomous Region.

The delegation is headed by Li Tieying, a Political Bureau member of the Central Committee of the Communist Party of China (CPC) and a state councillor.

The delegation was welcomed at the airport by Ding Guangren, alternate member of the Political Bureau and head of the United Front Work Department of the CPC Central Committee, and Chen Junsheng, state councillor, as well as leading members of party and government departments concerned.

When the delegation left Lhasa, people from all walks of life in Tibet held a farewell ceremony for the delegation.

### Yang Rudai Addresses Forum on Tibet Anniversary

OW2505045191 Beijing XINHUA Domestic Service  
in Chinese 1222 GMT 22 May 91

[By reporter Wang Wenjun (3769 2429 0193)]

[Text] Chengdu, 22 May (XINHUA)—The Sichuan Provincial CPC Committee and Government sponsored a forum on 21 May in Chengdu in celebration of the 40th anniversary of Tibet's peaceful liberation.

Yang Rudai, member of the Political Bureau of the CPC Central Committee and secretary of the Sichuan Provincial CPC Committee, addressed the forum.

Yang Rudai said: Over the past 40 years, compatriots of all nationalities and in all walks of life in Tibet, under the wise leadership of the party and with the support from people of all nationalities in other parts of the country, have worked hard together, bringing an earth-shaking change to the outlook of their region. In particular since the Third Plenary Session of the 11th CPC Central Committee, the spring breeze of reform and opening to the outside world has swept over the vast land of Tibet, resulting in striking achievements in all undertakings.

Yang Rudai pointed out: Sichuan and Tibet are linked by mountains and rivers and are as closely related as lips and teeth. Sichuan's 100 million people and the people of Tibet are as close as one family. During the past 40 years, we have worked together with one heart to build the socialist edifice and safeguard the southwest frontier. We wish Tibet a brilliant future from the bottom of our

hearts. The goal set by the Seventh Plenary Session of the 13th CPC Central Committee for the Eighth Five-Year Plan and the next 10 years shows a blueprint for the second-step development of our motherland. As always, we and the people of Tibet will support and help each other and will work hard together to achieve this goal. We will continue to join the people of Tibet in safeguarding the unification of the motherland and the unity of all nationalities. We are firmly opposed to the plot hatched by a tiny number of separatists to split our motherland. We are also opposed to the international anti-China forces, which concoct facts and use the human rights issue to sow discord among our nationalities and interfere in our country's internal affairs.

Yang Rudai expressed the belief that the cadres of all nationalities in Tibet, long cultivated with Marxism-Leninism-Mao Zedong, and the Tibet people, tempered in storms over the past 40 years, will be able to draw a correct conclusion by contrasting the old and new systems and from their personal experience. They will further reinforce their confidence in socialism, unite more closely with the people of all nationalities of the motherland, and build Tibet into a still better region, he added.

In conclusion, Yang Rudai said: While celebrating the 40th anniversary of Tibet's peaceful liberation, leading cadres of all departments in Sichuan, especially those working in Sichuan's Tibetan-inhabited areas, should be aware of the importance of doing a successful job in Tibetan affairs in our province. They should strive to improve themselves and contribute to the common prosperity of all nationalities.

Others speaking at the forum included Tianbo (Tibetan), member of the Central Advisory Commission; and Living Buddha Gaduo Xixiong [name as received] (Tibetan), member of the National Committee of the Chinese People's Political Consultative Conference.

Over 200 people attended the forum, including representatives of all nationalities and from all walks of life in Sichuan and former Tibet party, government, and army leaders currently in Chengdu.

### Group Commemorates Mao Address on Literature, Art

HK2705131691 Beijing RENMIN RIBAO in Chinese  
18 May 91 p 4

["Dispatch" by correspondents Li Derun (2621 1795 3387) and Zhang Shouying (1728 7445 2503): "Literary Theorists, Critics Hold Seminar in Beijing To Discuss 'Talks at Yenan Forum on Literature and Art'"]

[Text] Beijing, 17 May (RENMIN RIBAO)—To commemorate the 49th anniversary of Comrade Mao Zedong's "Talks at Yenan Forum on Literature and Art," the Literary and Art Bureau of the central Propaganda Department and this newspaper's literary and art section today jointly held a seminar in Beijing. Close to 20 literary theorists and critics refreshed their memories of the spirit of the "Talks," related it to the current

literary and artistic situation, and unanimously stressed that the broad mass of literary and artistic workers must know clearly and serve the overall situation and actively contribute their strength to the prosperity of socialist literature and art.

Comrades present at the seminar believed that the "Talks" scientifically explicated on the Marxist philosophical level the relationship between literature and art and the times. Today, when the whole country is striving to realize the second-step strategic goals of socialist modernization, literary and artistic workers must adhere to the basic principles of the "Talks" and put the spirit to practice. Attending comrades further deepened their understanding of the efforts to consolidate and develop a stable and unified political state. They concentrated their energies to improve the economy by relating the "Talks" to the works of proletarian revolutionaries of the older generation, such as Deng Xiaoping, on literary and artistic issues and to Comrade Jiang Zemin's Lantern Festival address this year at a seminar of the capital's literary and artistic circles. Seminar participants believed that literary and artistic workers must consciously place themselves at the service of the state and the overall situation; strengthening this service spirit is a concrete action of inheriting and developing the spirit of the "Talks."

Attending comrades pointed out that every writer and artist with a career ambition and a sense of responsibility must make bold exploration and be eager to innovate and create a large number of brilliant works able to match our great times and the great Chinese people and the masses. They must work hard to satisfy the masses' increasing needs of cultural life, invigorate the broad cadres and masses toward struggle and unity, and devote themselves to the grand cause of building socialist civilization with Chinese characteristics.

The prosperity of socialist literature and art depends on a correct understanding by writers and artists of the times and a correct reflection and expression of the times and life. Attending comrades believed that writers and artists must first intensively study Marxism and Mao Zedong Thought, self-consciously grasp Marxist world outlook and methodology, and seriously implement the party's literary and artistic direction and policies. They must keep sober in the face of the volatile international situation, build an iron ideological and political great wall against peaceful evolution, observe the world and society, and guide their own literary and artistic creations with dialectical materialism and historical materialism.

Venturing deep into life is the necessary path for socialist literature and art to flourish—this was a consensus of the seminar participants. They said that a life rooted in the people will necessarily benefit socialist literature and art; a life divorced from the people will of necessity lead to the withering of literature and art and to sickness. This is a conclusion taught by socialist literary and artistic practice.

He Jingzhi, central Propaganda Department deputy head and acting culture minister, and Comrade Zhang Yunsheng, RENMIN RIBAO assistant general editor, spoke at the seminar. Zheng Bonong, Dong Xuewen, Zhang Jiong, Tu Wusheng, Wu Yuanmai, Qian Zhongwen, Ma Yutian, Yan Zhaozhu, Kang Shizhao, Lu Guishan, Zhong Chengxiang, Liu Runwei, and others spoke in turn. Li Zhun, deputy director of the central Propaganda Department Literary and Art Bureau, and Ding Zhenhai, chief of RENMIN RIBAO literary and art section, presided over the seminar and also spoke at it.

### **Li Ruihuan Attends Literary, Art Soiree**

OW2505085891 Beijing XINHUA Domestic Service  
in Chinese 1305 GMT 23 91

[By reporter Sun Benyao (1327 2609 1031)]

[Text] Beijing, 23 May (XINHUA)—The Ministry of Culture and the Administrative Bureau of Organs Under the Central Committee held a literary and art soiree in the Great Hall of the People this evening to mark the 49th anniversary of the publication of Chairman Mao's "Talks at the Yanan Forum on Literature and Art."

Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, and Ding Guangen, alternate member of the Political Bureau, attended the soiree and joined the audience in the capital to watch the colorful performances put on by literary and art workers.

This evening, musical, dance, and song programs, Beijing opera, storytelling, Hebei opera, storytelling in Beijing dialect with drum accompaniment, and comic dialogue were performed by the Tianjin Youth Beijing Opera Troupe, Tianjin Storytelling Theater, Tianjin Performing Art Consultation Committee, Tianjin Hebei Opera House, and Tianjin Cross Talk Troupe. The magnificent performances by Luo Yusheng, Ma Sanli, and Guan Mucun were warmly welcomed by the audience.

### **XINHUA on National Meeting of Young Writers**

HK2405085391 Beijing XINHUA Domestic Service  
in Chinese 1343 GMT 23 May 91

[Report by Qu Zhihong (2575 1807 4767): "National Meeting of Young Writers Opens in Beijing"—XINHUA headline]

[Text] Beijing, 23 May (XINHUA)—The 23 May is a day of far-reaching significance to China's literature and art circles. The Chinese Writers Association specially held a national meeting of young writers today, the 49th anniversary of the publication of Comrade Mao Zedong's "Talk at the Yanan Forum on Literature and Art." The grand opening of the meeting has added a lively and flourishing atmosphere to the "Red May" of the writers and artists in the capital.



When addressing the meeting, Ma Feng, secretary of the leading party group and vice chairman of the Chinese Writers Association, termed the current meeting "a grand meeting on youth literature [qing nian wen xue 7230 1628 2429 1331] rarely seen in years" and said that its strategic significance lies in "striving to train the successors to socialist literature who will be writing beyond this century."

Present at the meeting were 324 representatives coming from all corners of the country and from all walks of life. They are young writers, poets, and critics, mostly under 35 years of age. They have considerable accomplishments and have been very active in the literary world in recent years.

The party and the state have attached extremely great importance to this contingent of vigorous and creative writers. State Vice President Wang Zhen attended the opening ceremony, wrote an inscription for the meeting, and delivered a speech (its full text is to be dispatched separately). He hoped that the vast numbers of literature and art workers, in particular young comrades, would conscientiously study Marxism-Leninism-Mao Zedong Thought, closely unite on the basis of the principle of serving the people and socialism, and shoulder the sacred mission entrusted to them by the party and the people.

In her congratulatory letter to the meeting, Deng Yingchao said to young writers all over the country: Be concerned about life, society, and the motherland's future and fate and strive to be pillars of literature writing beyond this century."

Writers of the older generation are all the more deeply concerned with the newcomers. In his telegram to the meeting, Association Chairman Ba Jin said: "Speak from the bottom of your hearts and open your hearts to the readers." For mutual encouragement the revered Bing Xin presented to the young writers in a written form the principle of literary creation which she has always followed. The principle is that "when there are no true feelings, do not write for the sake of 'writing.'"

In his keynote speech entitled "The Historical Mission of Young Writers," Malqinhu, deputy secretary of the leading party group and executive secretary of the Secretariat of the Chinese Writers Association, fully affirmed the achievements of the contingent of Chinese young writers. He said: Young writers are fresh, vigorous activists and shock workers in the contingent of writers in our country. Without doubt, eye-catching achievements have been scored in the youth literary creation in the new period. He held: The unchecked spreading of ideological trends favoring bourgeois liberalization in the last few years has indeed pounded at and disrupted the literary creation by young writers and youths, but overall the contingent of young writers in our country is good and healthy.

However, in "the incomparably rich real life in which the old is being replaced by the new, and a more complex

and magnificent historical course that our predecessors have never traversed," young writers should come out with high quality spiritual products, said Malqinhu. They should improve themselves ideologically, accumulate more life experience, and strive for greater literary accomplishments and, in the meantime, seriously think, study, and solve problems relating to the times, the people, and life. He hoped that through study and exchange during the current meeting, all participants would further raise their consciousness, unify their thinking, strive for a correct orientation, and vigorously boost socialist uprightness and creation drive.

Present at today's meeting were Ma Wenrui, He Jingzhi, Yu Yongbo, Ai Zhisheng, Mu Qing, Li Mohan, Ai Qing, Chen Huangmei, Zhuang Kejia, Yao Xueyin, and others.

Units such as the Central Propaganda Department, the Ministry of Culture, the Ministry of Radio, Film, and Television, the PLA General Political Department, and the Central Committee of the Communist Youth League of China; the All-China Federation of Trade Unions; the All-China Womens Federation; and the China Federation of Literature and Art Circles sent messages of congratulation to the meeting.

#### Exploration of 'Realities' Urged

OW2305151491 Beijing XINHUA in English  
1358 GMT 23 May 91

[Text] Beijing, May 23 (XINHUA)—Young Chinese writers were called upon here today to explore deep into the realities of life and portray the mainstream of Chinese society.

The appeal was made by Malqinhu, executive member of the secretariat of the Chinese Writers' Association, to over 300 participants now attending the five-day national young writers conference.

Chinese Vice-President and Wang Zhen attended the opening ceremony and delivered a speech in which he called on the nation's young writers to study Marxism and Mao Zedong Thought, and unite closely to serve the people and socialism. [sentence as received]

Noting that today is the 49th anniversary of Mao's important speech to writers and artists during the revolutionary years, the vice-president said the basic guidelines expounded in Mao's speech are still valid to China's literature and art development today.

Malqinhu said that the young writers' literary creations during the 1980s were remarkable, with a number of outstanding works reflecting true life and displaying polished writing techniques.

"Viewed as a whole, the nation's young writers are good and their works are healthy. They are able to shoulder their due historical tasks," Malqinhu noted.



He said that the works of many young writers were in-depth looks of their time based on their own experiences. "Although the search sometimes failed, their courage should be not dismissed," he said.

Malqinhu stressed that in literary writing, individual creativity and personal interest should be guaranteed so that writers can enjoy a broad scope for thinking, imagination and forms and content of their work.

Meanwhile, he said, Chinese writers should not be onlookers of life but should integrate themselves with the people and society.

He asked the young writers to study Marxism and Mao Zedong Thought systematically, correctly carry on the nation's cultural heritage and learn from what is useful in the foreign literature.

Most of the representatives attending the current national conference are under 35 years in age, with the youngest being only 18.

Similar national conferences were held three times in the past, in 1956, 1964 and 1986.

### Li Ruihuan Speaks

OW2605144891 Beijing XINHUA Domestic Service  
in Chinese 1156 GMT 26 May 91

[“Li Ruihuan’s Speech at National Conference of Young Writers on 26 May”—XINHUA headline]

[Text] Beijing, 26 May (XINHUA)—Young Comrades:

I am not prepared to make a speech and I also do not have the inspiration as swift as you writers have. Since I have been asked to speak, I cannot but say a few words and I may not speak wholly and to the point.

First of all, I wish to congratulate the complete success of the current national conference of young writers. Comrade Jiang Zemin pointed out at the literary and art forum on the Lantern Festival day in Beijing: “The literature and art of a country is extremely important to invigorating the national spirit. Therefore, I have repeatedly stressed that I hope you all would have the present in mind, have the future in mind, have people’s interests in mind, and have the prosperity of socialist literature and art in mind; and that you would strive to develop a lively situation in literary and art circles where you can have ease of mind and will attach importance to unity and take the whole situation into consideration.” He also said: “Comrades and friends in literary and art circles should, under the general orientation of serving the people and socialism, promote great unity in all corners of the land, look forward, and struggle for the healthy development of socialist literature and art. This is the common wish of the broad masses of literary and art workers as well as the earnest expectation of the party and the people.” This is the basic demand set by the party Central Committee on literary and art workers at present. It is hoped that you would conscientiously study

and penetratingly understand it, and implement it in your actual work. This is the first point I wish to say.

My second point is that youth is the most valuable period of time in the life of a person. Youth is valuable because the period of youth is short and cannot be retracted, because many things can only be successfully accomplished during that period, and because the period of youth will have a great impact on the entire life of a person. The growth of many great writers was closely linked with their youth period. Therefore, I hope you comrades will cherish this period, and rationally, fully, and effectively utilize this period.

The third point is that if you want to turn out good works, you must study. You should study the basic theories of Marxism and observe and study things by applying the Marxist stand, viewpoint, and method, and use them to guide your works. I have said this before—an important reason why the works of some writers failed to impress people deeply and lacked vitality, and why some works, like fashionable clothing, became no longer “fashionable” after a few days is the lack of a theoretical base. You know that many great writers in the world were at the same time thinkers. You should study to acquire knowledge, including knowledge of history, social knowledge, and knowledge in natural sciences. You should maintain close ties with the masses, understand them, and go close to real lives in order to understand real lives. Life is the source of all creative works and all literary works originate from life. You should continuously temper yourselves in order to upgrade your literary accomplishment. Hard work will not disappoint you. Only in this will you create good works worthy of the times.

In conclusion, I wish that you young comrades take the correct path and create works to provide the people with more and better “spiritual sustenance.”

Thank you.

### Urges ‘Correct Orientation’

OW2705104991 Beijing XINHUA Domestic Service  
in Chinese 1312 GMT 26 May 91

[By reporter Guo Lingchun (6753 3781 2504)]

[Text] Beijing, 26 May (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, today joined young writers in reviewing General Secretary Jiang Zemin’s earnest expectations of the literary and art circles: The literature and art of a country are very important to the revitalization of its national spirit. I hope that you will consider both present and future needs, work for the people’s interests and the thriving of socialist literature and art, and strive to create in the literary and art circles a situation of unity, vigor, peace of mind, and consideration of the interest of the whole.

Li Ruihuan was attending the closing session of a national young writers conference held in the “21st

Century Hotel" in Beijing. Comrade Li Ruihuan expressed the hope that those young writers who already have shown their creative potential and artistic talent will seriously study and comprehend this speech and apply it in practice.

Comrade Li Ruihuan had a heart-to-heart talk with the young friends at that "joyful and youthful meeting." He said: Youth is the most precious period of one's lifetime; it is short and will never return once it is gone. While the torch of socialist literature has been passed on to this generation, Comrade Li Ruihuan urged those present and more young writers to treasure the period of youth. For this reason, he particularly pointed out the importance of studying basic Marxist theories, and emphasized the necessity of using the Marxist stand, viewpoint, and method in guiding creation.

Comrade Li Ruihuan wished the conference success. In front of the young writers, who belong to both the present and the future, Li Ruihuan put more emphasis on efforts after the conference. He told the young writers to study theory and general knowledge, and urged them to get closer to the masses and the thick of life. He encouraged them again to provide the people with more and better nourishment for the mind.

The delegates to the conference presented Comrade Li Ruihuan a colored cap of Uygur nationality as a gift. He put it on and thanked all the delegates. Cordial laughter swept the hall again.

The young writers, including four handicapped writers in wheelchairs, came from frontier regions, coastal islands, cities, rural areas, grasslands, snowy mountain regions, mining districts, and barracks. All of them received prize plates from the Chinese Writers' Association. They described their achievements as a reward rooted in life. All their enthusiasm, inspiration, themes, and characters in their creations come from the fertile soil of life. They say that they owe their thanks for the honor to life.

Ge Luo delivered a closing speech on behalf of the Secretariat of the Chinese Writers Association at the four-day national young writers conference. He said: The attendees here are the hope of Chinese literature, and the literature of hope will surely be born amid the struggle waged by this generation. This is because you have learned from each other by exchanging experience, and have reached a consensus over some fundamental questions. In literature and art, we must persistently keep to the correct orientation of serving the people and socialism. In literary creation, writers must persistently take the road of plunging into the thick of life. In literary and art creation, we must work under the guidance of Marxism-Leninism-Mao Zedong Thought, have a correct world outlook and outlook on life, and achieve a harmony and unity between moral quality and writing quality.

Let us assemble at a new starting line. This is a bugle call sounded by this grand meeting of young writers, as well as a sincere wish of the people and the socialist motherland for young writers.

Seypidin Aizezi, Gao Di, Mu Qing, Ai Zhisheng, Xu Weicheng, Zeng Jianhui, Zeng Qinghong, Ma Feng, Liu Deyou, Ai Qing, Chen Huangmei, Yao Xueyin, Li Ying, and Malaqinfu attended the closing session today.

### Wang Zhen on 'Peaceful Evolution'

OW2705111291 Beijing XINHUA Domestic Service  
in Chinese 1157 GMT 23 May 91

[Speech by Wang Zhen on 23 May at the National Conference of Young Writers: "The Spirit of the 'Talks' Shines Forever"]

[Text] Beijing, 23 May (XINHUA)—Young comrades and friends:

I am very pleased to be here to attend your conference. This is a meeting full of youthful energy, a meeting of vigor and vitality, and a meeting of successors who are going to carry on socialist literature from this to the next century.

This day 49 years ago Comrade Mao Zedong issued the "Talks at the Yanan Forum on Literature and Art." It is of special significance that your conference opened today.

Comrade Mao Zedong was not only a great proletarian revolutionary, but a great Marxist theorist as well. He made extremely prominent contributions to the Marxist theory on literature and art, and performed tremendous deeds of historical merit for the liberation of the people of all nationalities in China, for the prosperity of our party, for the victories of China's cause of socialist revolution and construction, and for the application and development of Marxism in China. As time passes on, we see his significant contributions more and more clearly. A few years ago, in several serious instances where the ideological trend of bourgeois liberalization was spreading seriously, there appeared various absurd arguments belittling, smearing, and attacking Comrade Mao Zedong and Mao Zedong Thought. The broad masses of our workers, peasants, intellectuals, People's Liberation Army commanders and fighters, democratic party members, and patriotic personages were very resentful of these arguments. Comrade Deng Xiaoping and other proletarian revolutionaries of the old generation resolutely protected Comrade Mao Zedong's place in history and defended and developed Mao Zedong Thought, thus ensuring the achievements in our causes of construction, reform, and opening up, which have drawn world attention. The party Central Committee with Comrade Jiang Zemin as the nucleus has continued to hold high the great banner of Mao Zedong Thought and adhered to the party's basic line established at the Third Plenary Session of the 11th CPC Central Committee, resulting in China's stable political, economic,

and social development and winning hearty trust and support from the people all over the country. Mao Zedong Thought is the most valuable spiritual asset of the Chinese communists and the Chinese nation.

Comrade Mao Zedong's "Talks at the Yanan Forum on Literature and Art" has nurtured generation after generation of thousands upon thousands of literary and art workers. The basic principles contained therein will never become outdated, but will forever guide our country's socialist literature and art to develop healthily. In 1979, Comrade Deng Xiaoping issued his "Message of Greetings to the Fourth National Congress of Chinese Writers and Artists," saying that Mao Zedong's literary and art thought should be adhered to and developed in the new period of socialist modernization. Last March, Comrade Jiang Zemin made an important speech, entitled "Work Hard in Unity to Promote the Thriving of Socialist Literature and Art," at a heart-to-heart-talk gathering held by writers and artists in the capital to celebrate the Lantern Festival. I hope the broad masses of literary and art workers, especially the young generation, will study these speeches seriously and put their contents into practice thoroughly.

Hostile forces at home and abroad are now primarily using a peaceful evolution strategy. They are utilizing bourgeois liberalization in an attempt to restore the capitalist system in our country and to turn the independent socialist People's Republic of China once again into a vassal of Western powers. This is a primary threat to our country's construction, reform, and opening-up causes. The Chinese nation has never yielded to any pressure from external forces and possesses a glorious tradition of fearing no brutal force, opposing interference and aggression, and safeguarding independence and sovereignty. We strive to develop friendly relations with all countries in the world on the basis of the five principles for peaceful coexistence and to learn from their advanced experience, but we are resolutely opposed to hegemonism and power politics. To resist and frustrate the criminal schemes of infiltration, subversion, and peaceful evolution of hostile forces, we must unrelentingly conduct education in the four cardinal principles and wage a struggle against bourgeois liberalization. Comrade Deng Xiaoping has made many intensive statements in this regard. The party Central Committee with Comrade Jiang Zemin as the nucleus also has stressed over and over again the extreme importance and urgency of this task. The party Central Committee will never change or shake this principle and its determination to implement it. This also is a primary indication of the continuity and stability of our basic policy. The 1989 turmoil and the counterrevolutionary rebellion that occurred in Beijing that year gave our party, state, and nation a very profound lesson. I earnestly hope that the broad masses of literary and art workers, young comrades in particular, will seriously study Marxism-Leninism-Mao Zedong Thought, unite closely on the basis of the principle of serving the people and socialism, take up the sacred duty bestowed on them by the party

and the people, and stand firmly at the forefront to oppose peaceful evolution and bourgeois liberalization. I also hope that they will warmly praise the enormous contributions made by the party and the people, eulogize the great achievements in socialist reform and opening to the outside world, and demonstrate their wisdom and talent for artistic creation while carrying on the great cause of consolidating and building socialism with Chinese characteristics.

The 21st century is waiting for you. I heartily wish your conference a complete success!

### First Copyright Law To Take Effect 1 June

OW2705074691 Beijing XINHUA in English  
0608 GMT 27 May 91

[Text] Beijing, May 27 (XINHUA)—China's first copyright law will take effect on June 1, PEOPLE'S DAILY reports today.

Sources at the State Copyright Administration (SCA) said that the enactment of the long-awaited authorship rights law was seen as a landmark in the protection of intellectual property rights following the implementation of the patent and trademark laws in the mid-1980s.

China's copyright law, approved by the Standing Committee of the National People's Congress (NPC), covers literature and art, publications, architectural designs, computer software as well as other intellectual products.

Yang Jike, member of the NPC Standing Committee, said that the enactment of the copyright law may promote the prosperity of literary and artistic creation and help enlarge cultural exchanges with the outside world.

On Saturday, the NPC Education, Science, Culture and Public Health Committee and the SCA jointly sponsored a seminar to celebrate the enactment of the law. Some 50 senior law-makers, writers and noted figures from scientific and artistic circles in the capital attended the seminar held in the Great Hall of the People.

Ma Yuan, vice-president of the Supreme People's Court, said that the copyright law indicates that China's civil code system and law system on the protection of intellectual property rights are being improved.

Some participants called for greater efforts to popularize the law.

### Authorship Rights Law

HK2705022891 Beijing CHINA DAILY in English  
27 May 91 p 1

[By staff reporter Chang Hong]

[Text] The State Copyright Administration (SCA) is expected to announce within the week regulations that spell out enforcement measures of the country's first copyright law, which takes effect on June 1.



Sources at the administration said that the State Council is also expected to introduce separate regulations governing the protection of computer software.

The enactment of the long-awaited copyright law, entitled the Authorship Rights Law, was seen as a landmark in the protection of intellectual property rights, following the implementation in the mid-1980s of the patent and trademark laws.

China's copyright law, approved by the Standing Committee of the National People's Congress (NPC) last September, covers computer software as well as other intellectual products.

It is widely believed that the enactment of the law would lead China to enter International Copyright Protection Conventions.

An official with SCA said his administration would issue a 56-article regulation detailing the enforcement measures of the law around June 1.

The State Council, the country's cabinet, had asked for revisions in the regulations against computer software piracy and has ordered an early enforcement of the rules.

Meanwhile on Saturday, the NPC Education, Science, Culture and Public Health Committee and the SCA jointly sponsored a seminar to celebrate the forthcoming enactment of the law. Some 70 senior lawmakers, jurists, writers and noted figures from scientific and artistic circles in the capital attended the seminar held in the Great Hall of the People.

"The copyright law is indeed an important law to protect authors' lawful rights and their enthusiasm to create more works," said Lei Jieqiong, vice-chairwoman of NPC Standing Committee.

Li Zhun, a writer known for his novels about Chinese farmers, said authors needed to study the law since many of them were not familiar with the concept of copyrights.

Social sciences scholar Xu Jialu said there were many copyright infringement cases since Chinese intellectuals were not good at protecting their own rights.

"It would be a long and arduous journey for its implementation," he said.

Vice-president of the Supreme People's Court Ma Yuan said that the copyright law indicated that China's civil law code system and the law system on the protection of intellectual property rights were being improved and perfected.

Some participants called for greater efforts to popularize the law.

It was learned that the Ministry of Justice has agreed to include the new law into its second five-year legal knowledge popularization programme.

### 'Roundup' on Property Rights

OW2405120891 Beijing XINHUA in English  
0130 GMT 24 May 91

["Round Up: China Makes Great Efforts To Protect Intellectual Property Rights"—XINHUA headline]

[Text] Beijing, May 24 (XINHUA)—Over the past decade, China has made great efforts to draft laws to protect intellectual property rights, including copyrights, trademarks and patents.

Since China adopted its open and reform policies in the late 1970s, growing contacts with the outside world have made the country gradually realize that the abuse of intellectual property rights is no longer something that can be ignored.

During the past 10 years, the Chinese Central Government has made great efforts to establish a legislative system to protect intellectual property rights.

China issued its patent law in 1984, trademark law in 1982, and copyright law in 1990. Moreover, a legislative rule to protect computer software is now under consideration.

China's efforts to protect intellectual property rights have achieved remarkable successes over the past few years.

By February of this year, patent offices around the country received more than 170,000 patent applications, including more than 30,000 from overseas. Of the total number of applications, over 60,000 have received patents.

In the last eight years, the number of the effective trademarks has amounted to almost 200,000.

To further avoid copyright abuse, special departments have been formed in some local people's courts.

During the past few years, China has joined several international organizations, such as the world intellectual property organization, so as to handle the problems encountered in implementing intellectual property rights protection laws in accordance with international standards.

China has taken an active attitude in this concern, though there is still a long way to go since the country is backward in both the economic and legislative fields.

As some high Chinese officials have pointed out, the great efforts made by the Chinese Government to protect intellectual property rights provide better protection for foreign firms that enter the Chinese market.

The officials said that the country will open even wider to the rest of the world in the coming 10 years, with one of the key tasks being to strengthen its economic relationship with foreign countries.



### Protection of Software

OW2405200591 Beijing XINHUA in English  
1443 GMT 24 May 91

[Text] Beijing, May 24 (XINHUA)—Chinese Premier Li Peng presided over the 83rd executive meeting of the State Council in Beijing today.

During the meeting, Li and other state council members examined and approved in principle the "Draft Regulations on the Protection of Computer Software" and discussed the question of enhancing land protection.

The council decided to set "June 20" as national "Land Day." It was determined at the meeting that since computer-software technology is a new technology under rapid development, the state must protect the rights and interests of computer software copyright owners, regulate the relations between the interests of software copyright owners and that of the public which result from the circulation and use of computer software, and encourage the development and circulation of computer software.

It concluded that the state should also promote the development of the application of computers and the software industry, the introduction of foreign advanced software technology and normal exchange of international economic technology.

The council decided that it is necessary to formulate special regulations to protect computer software in line with China's law on copyrights and the characteristics of protecting software.

In addition, the council made some suggestions on rectifying the draft regulations and decided that the "Regulations on the Protection of Computer Software" should be issued and implemented as soon as possible after necessary revisions of the draft are made.

The meeting decided to designate "June 20" as the national "Land Day", aiming at promoting the publicity and implementation of the law on land administration.

### Intellectual Rights Protected

HK2705091591 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0408 GMT 25 May 91

[Report: "Experts Believe Chinese, Foreign Intellectual Property Rights Have Been Efficiently Protected in China"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 25 May (ZHONGGUO XINWEN SHE)—Experts here believe that with the trademark law, patent right law, and copyright law promulgated and implemented since 1982, the intellectual property rights protection system has basically been established in China. Ample facts have evidenced the truth that China has exerted great efforts and scored marked results in legislature and practical work to protect the legitimate rights and interests in intellectual property rights among Chinese and foreigners concerned.

At the "Academic Forum on Intellectual Property Rights" held in Beijing not long ago, participating experts and scholars believed that in the wake of the normalization of Sino-U.S. diplomatic relations, the two countries reached an accord on mutual benefit in trademarks on 4 March 1978. From then, U.S. enterprises began to register their trademarks in China. By 1979 U.S. enterprises had registered 122 trademarks in China, and by the end of 1990 the number of trademarks registered rose to 12,528, ranking top among 62 countries and regions that have registered trademarks in China, and up by 100 times in 11 years. This reflects the growth in Sino-U.S. trade, while serving as evidence of U.S. enterprises' faith in the Chinese Government's effective protection of the patent rights of trademarks.

Presently, China has some 270,000 effective registered trademarks, of which 57,000 were registered in 1990, and has handled 176,000 applications for Chinese and foreign patent rights, of which 66,000 cases have already been authorized, with 66 countries and regions having submitted patent right applications to China.

In their speeches, the participating experts and scholars stated that to protect the legitimate rights and privileges of those involved in Chinese and foreign patent rights, trademarks and copyrights, relevant Chinese organs had dealt fairly with a number of cases involving patent rights, trademarks and copyrights, including lawsuits of overseas parties concerned on their patent rights, trademarks and copyrights being infringed upon. For example, the cases of IBM and M & M trademarks being infringed upon have all been fairly handled, with the legitimate rights and interests of U.S. firms protected according to the law. It is regrettable that in the Sino-U.S. trade talks, the U.S. side has listed China among the so-called "key countries falling under the provisions of Special Clause 301" under the pretext that China has failed to give ample protection to U.S. intellectual property rights, regardless of the voluminous work and great progress by China in completing and perfecting the intellectual property rights protection system.

The experts pointed out that obviously it is unrealistic and unfair to regard the high criteria of some developed countries as the criteria for protecting intellectual property rights. The United States promulgated its first federal copyright law in 1790, but it was not until 1890 that it began to protect a small volume of foreign works conditionally, and it was 60 years later that the United States participated in the "World Pact on Copyright," which did not boast a very high level of protection. It took the United States approximately 200 years to move from initiating a copyright law to participating in the "Bern Pact," which has a rather high level of protection. It was only a few years ago that the "Manufacturing Clause" was deleted from the U.S. Law of Copyright, whereas China, as a developing country rather backward in economic development, had persistently encouraged cooperation and exchanges in publication, theatrical performances, movies, TV programs, and audio and video products based on international normal practice.

and showing respect for the rights and privileges of the other side before its law on copyright came into effect.

### Article Views Conservative-Reformist Balance

HK2605012491 Hong Kong SOUTH CHINA  
SUNDAY MORNING POST in English 26 May 91 p 13

[By David Chen]

[Text] Much has been made of the return, or at least the strengthening, of the reformist camp in the Chinese hierarchy with the appointments of Mr Zou Jiahua and Mr Zhu Rongji as vice-premiers.

Much has also been said about the formation of a Shanghai group in the top leadership, a group that some analysts believe could counter the conservative camp, many of whom are associated with Eastern Europe of the 1950s which shared similar socialist, and indeed Stalinist, views and values.

The meeting between the "patriarch" of the so-called conservative camp, Mr Chen Yun, and the latter-day reformist, Mr Zhu, should have prompted a reexamination of such an approach towards Chinese politics. The true situation may be far more complex.

To begin with, Mr Chen is both a Shanghaiese and a dedicated communist of the true proletariat class firmly associated with the Soviet Union during the Comintern times. Born in the Chinese part of the city during the foreign concession days, he began his career as an apprentice and worked as a setter in the composing room of the Commercial Bookstore, then the largest Chinese printing plant in China.

Mr Chen joined the Chinese Communist Party during his teens and rose steadily. In 1935, he was stationed in Moscow as a member of the Chinese delegation to the Comintern. His relatively restrained and pragmatic approach towards economic and financial matters earned the displeasure of Mao Zedong and, though he was not purged during the Cultural Revolution, he was shunted aside until after the arrest of the Gang of Four in 1976.

Mr Chen has since been regarded as the voice of the conservatives advising a more cautious approach against the speedy, sometimes heady, pace of the reformists. And in the past decade, he has largely spent his time in Shanghai and Hangzhou, the provincial capital of nearby Zhejiang province.

On the other hand, Mr Zhu is from Mao's Hunan province, and his association with Shanghai was characterized by about five years of office in the city until his elevation to a vice-premiership during the recent National People's Congress.

His rise to fame was based on the way he handled student demonstrations in Shanghai two years ago and, more prominently, on his championing of the Pudong development project, which has all the hallmarks of the

grandiose aspirations of the reformists. Even many sympathetic Western investors regard it as too ambitious or unrealistic.

The meeting between Mr Chen and Mr Zhu, therefore, must be analysed in this light.

Since March, Mr Zhu has shed his Shanghai portfolio and has been staying in Beijing, his home of more than two decades when he was a relatively obscure official in central government. There are, therefore, many connotations to be made in Mr Zhu travelling from Beijing to Shanghai to "report" to Mr Chen on the municipal affairs of Shanghai.

The official New China News Agency reported that during the meeting, Mr Chen gave Mr Zhu and the new leaders of Shanghai a 15-character scroll that advised in favour of fact-finding and against impractical concepts—his own version of seeking truth from facts that is generally attributed to that other patriarch, Mr Deng Xiaoping.

China's state television, broadcasting a rare few minutes of the meeting, showed a feeble but nevertheless dominating Mr Chen speaking the "words of truth" as Mr Zhu and his Shanghai colleagues listened.

This strange meeting may have been to show the world that the conservative camp still has clout and that its members are still around.

But one clear message was that Mr Zhu, dubbed by the Western press as "China's Gorbachev" and extolled as a future prime minister and the champion of the liberals, has been brought down to earth by the patriarch of the conservative camp and a leader whose "Shanghai background" is impeccable.

It is clear that, despite what the party chief, Mr Jiang Zemin, claimed during his press conference in Moscow, the Old Guard still influences, if not dominates, the running of the affairs of state—as was plainly demonstrated by the Chen-Zhu meeting.

### Reform, Opening Up Help Hainan Develop Rapidly

HK2305151191 Beijing RENMIN RIBAO in Chinese  
15 May 91 p 1

[Report by XINHUA correspondent Xia Kaixuan (1115 0418 2467) and RENMIN RIBAO correspondent Du Ruoyuan (2629 5387 0626): "Reform, Opening Up Promote Development, Construction in Hainan Province"]

[Text] Over the past three years, the Hainan special zone used reform to promote opening up, bringing prosperity to a poor and backward region, and scoring eye-catching results in social and economic fields.

The Hainan party committee and provincial government pushed forward reform and opening up, and took the lead in implementing the "little government, big society" system. The newly established provincial organs

decreased from 67 departments, bureaus, committees, and rooms to 27 offices. The province directly manages cities and counties, reducing intermediary links.

Government departments changed the management pattern of direct interference in the economy, and used more economic and legal means to strengthen macroeconomic regulation and control. The Hainan provincial government promulgated or submitted to the provincial people's congress 15 laws and 54 administrative regulations, among which some are of a pioneering nature in the whole country, and their implementation scored good results.

Over the past three years, through the important measures such as giving more rights to cities, counties, and enterprises to decide on prices, Hainan reduced the proportion of planned prices within the "double track system," continually increased the weight of market regulation, and established a number of production factors markets. At present, the weight of market regulation for 16 major means of production in the province has reached 72.8 percent; the means of living market, which sells grain, pork, and edible oil, has continually expanded the weight of market regulation, while prices have also been gradually stabilized along with the changes in the relations between supply and demand; the financial, labor, landed property, and technology markets have also become active, and the framework of a new system, which integrates planned economy with, and mainly emphasizes, market regulation, has taken shape.

At present, a basic pattern in which various economic sectors are competing for development has taken shape in Hainan. After the province's founding, Hainan carried out profound reform for state-run enterprises, and through separating profit from tax, promoting and improving the contracting responsibility system, and carrying out an experimental shareholding system, state-run enterprises' output value increased 38.7 percent in three years. There are 4,000 newly added sole proprietor-owned enterprises, joint-venture enterprises, and shareholding enterprises, and there are more than 1,000 enterprises with three sources of funds, while privately run enterprises have also developed.

Hainan has also changed the foreign trade and foreign exchange management systems; it used more flexible management methods to deal with the coming in and going out of goods, personnel, and capital, eliminating to some extent the obstacles to expanding opening up to the outside world in systemic terms. From 1987 to 1990, Hainan's import and export trade rapidly increased; last year's export trade amounted to \$470 million, a 307 percent increase over the period before the province's founding. According to incomplete statistics, over the past three years, Hainan has attracted investments amounting to 5 billion yuan from within and without the country, among which foreign businessmen have invested \$322 million. The industrial output value, and foreign exchange income earned through exports, materialized by enterprises introducing advanced technology

and carrying out operations with the hinterland, both account for one-fourth of the province's totals.

The province and the special zone have existed for three years, and these three years have been the best three years in Hainan's history of social and economic developments. The provincial statistics bureau provides us with convincing figures: When 1990 is compared with 1987, the province's GNP, national income, total industrial and agricultural output value, and revenue increased by 27.4 percent, 24.5 percent, 29 percent, and 150 percent respectively. Hainan Province has good investment and development conditions, and has revealed more of its attraction in the fast growing Asia-Pacific economic circle.

### Wu Bangguo at National Party School Symposium

OW2405222491 Shanghai People's Radio Network  
in Mandarin 2200 GMT 21 May 91

[From the "Morning News" program]

[Text] A national party school theory symposium jointly sponsored by the Central Party School of the CPC and the Party School of the Shanghai Municipal CPC Committee to mark the 70th anniversary of the founding of the CPC opened in Shanghai, birthplace of the party, on 21 May.

Xing Benshi, vice president of the CPC's Central Party School, CPC, presided over the opening ceremony and made a speech. He pointed out: The primary experience acquired through the success of our party's leadership in revolution and construction or the most unforgettable lesson drawn from failure of the party's leadership is whether we have continued to closely integrate the universal truths of Marxism-Leninism with the specific realities of China's revolution and construction.

Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, attended the meeting and spoke. He fully affirmed the important significance of studying party building theory on occasion of the 70th anniversary of the founding of the party. He also stressed the importance of summing up the party's historical experiences and studying the party's history, as well as party building theory.

Xue Ju, member of the CPC Central Committee and executive vice president of the CPC's Central Party School, delivered a report on the central theme of the symposium at the opening ceremony. He raised four important subjects that need to be studied in depth. They are: first, how to continue to maintain the quality of the vanguard of the working class of the party in the face of the challenge of various [words indistinct] ideological trends; second, how to correctly implement the party's basic line party in an all-around way and keep strengthening and improving the party's leadership; third, how to persist in serving the people wholeheartedly and strengthen close ties between the party and the masses; and, fourth, how to ensure that those loyal to Marxism retain control of the party's leadership and of



the state and how to train millions of dependable successors to the socialist cause.

Yanovskiy, rector of the Academy of Social Sciences of the CPSU Central Committee, delivered a speech at the meeting. (Razumovskiy), consul general of the USSR in Shanghai, also attended the opening ceremony.

#### **Yunnan Security Chief on Drug Trafficking Problem**

HK2505081491 Hong Kong ZHONGGUO TONGXUN SHE in English 0756 GMT 25 May 91

["Drug-Trafficking Becoming Serious Trend in China; By Bi Shan"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, May 25 (HKCNA)—The Director of the Bureau of Public Security in Kunming, Yunnan Province, Mr Yang Ming, recently revealed that the city authorities looked into 200 drug-trafficking cases in the period from January to April this year, resulting in the arrest of 300 suspects and the seizure of over 50,000 grams of heroin. This indicates the seriousness of the crime drug-trafficking [as received] in the Mainland.

With the continuous infiltration of international drug-related offenses since the 1980s, China, which was once a narcotics-free country, saw a revival of such crimes as smuggling, trafficking, drug manufacturing and drug addiction. The trend has become steadily worse.

The current drug-trafficking activities in the Mainland have quickly spread from the "Golden Triangle" via the provinces of Yunnan, Sichuan, Guangdong and the Guangxi Zhuang Autonomous Region to the rest of the country. It is understood that over 600 cities and counties in the Mainland have found drug-trafficking activities taking place there. The number of affected cities and counties account for one-third of the total nationwide.

According to incomplete statistics released by the relevant departments in Beijing, people's courts at all levels nationwide have tried some 18,000 drug-related cases in the eight-year period from 1983 to 1990. Some 25,000 persons have received sentences, and quite a number of the defendants found guilty of crimes have been sentenced to death, been given a suspended death sentence or life imprisonment. Official figures released last year by the Beijing authorities revealed that the Mainland's drug addicts numbered over 70,000.

The increasingly serious trend in narcotic crimes in Mainland China is manifested by the fact that the number of groups organized in drug-trafficking and smuggling activities have increased dramatically. These illegal groups collaborate with others both at home and abroad, forming a complete professional drug-trafficking system which flagrantly commits crimes throughout the provinces and even abroad. Firearms are sometimes used to escort drug shipments in which vehicles and even aircraft are employed.

#### **Liu Fuzhi Addresses Procuratorial Meeting**

OW2605061591 Beijing XINHUA Domestic Service in Chinese 1322 GMT 24 May 91

[By RENMIN RIBAO reporter Tang Weihong (0781 4580 4767) and XINHUA reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 24 May (XINHUA)—Liu Fuzhi, procurator general of the Supreme People's Procuratorate, spoke at a national meeting of procuratorial organs on discipline-inspection and supervisory work today. He emphasized: Procuratorial organs at all levels must strengthen ideological and political work, improve the work style of party and government organizations, promote the building of a clean and honest government, strengthen discipline-inspection and supervisory work, be strict persistently with procuratorial personnel, and maintain the purity of the procuratorial force.

Liu Fuzhi said: The procuratorial organ is one of the important tools of the people's democratic dictatorship. At present, the procuratorial organ is shouldering heavy responsibilities in enforcing the law, waging a struggle against embezzlement and bribery, dealing severe blows at criminals, making comprehensive efforts to improve law and order, investigating and handling cases of violations of other's rights and derelictions of duty, and helping ensure social and economic stability in our country. For this reason, it is necessary to build the procuratorial force well so as to reassure the party and the people.

He pointed out: Generally speaking, the procuratorial force is good. It has withstood tests and accomplished its tasks quite well. There still are violations of the law and discipline and other unhealthy tendencies among the procuratorial personnel, however. Liu Fuzhi called on leading cadres at various levels to set strict demands on themselves and serve as a good example for others to follow. At the same time, the leading cadres should have the courage to seriously deal with any uncovered problems, and not conceal problems nor shield shortcomings or faults. Leading cadres should be held responsible for slackened education and management and for failing to deal with problems seriously. The discipline-inspection and supervisory departments should fully perform their functional duties and strengthen inspection and supervision.

Chen Zuolin, deputy secretary of the Discipline Inspection Commission of the CPC Central Committee, also addressed the meeting. He said: Under the correct leadership of the Supreme People's Procuratorate, the procuratorial departments in China have taken a firm and clear-cut stand on combating crimes, protecting the people's legitimate rights and interests, exercising legal supervision, and enforcing the law. By enforcing the law impartially and performing duties honestly, they have made important contributions to the reform and opening to the outside world. Facts prove that the overall quality



of the procuratorial personnel is good, and that they are capable of accomplishing the tasks assigned by the party and the people.

Chen Zuolin pointed out: While fully affirming their achievements, the procuratorial organs also should soberly see their problems and shortcomings. They should understand correctly and handle well two things: First, they should pay great attention to and treasure the authority placed in the hands of procuratorial personnel by the people; and, second, they should always keep firmly in mind the party's fundamental purpose of serving the people wholeheartedly.

The meeting opened on 21 May. Liang Guoqing, deputy procurator general of the Supreme People's Procuratorate, delivered a work report at the beginning of the meeting.

### **Official Urges End to Departmental Malpractices**

*OW2805081191 Beijing XINHUA Domestic Service in Chinese 0714 GMT 24 May 91*

[By reporter Hu Qinghai (5170 3237 3189)]

[Text] Beijing, 24 May (XINHUA)—Xu Qing, director of the office for correcting departmental malpractices under the State Council, told reporters recently: We have made a good start in the work of correcting departmental malpractices across the country, but the work is still far behind the demands set by the party Central Committee and the State Council. Departmental malpractices have not yet been eliminated completely, and remain a strong complaint of the masses. We still need to make protracted, strenuous efforts, and should not slacken them even a little bit.

Xu Qing pointed out: The party Central Committee and the State Council, attaching great importance to the work of correcting departmental malpractices, have put it as an important item on their daily agenda. At various meetings and in the course of work arrangement, the leading comrades of the party Central Committee and the State Council have more than once issued clear and definite instructions on correction of departmental malpractices.

On the progress in correcting departmental malpractices, Xu Qing said: Since the "23 August" telephone conference last year, Beijing, Shanghai, Tianjin, Jiangxi, Hebei, Hunan, and some other regions, as well as the railways, post and telecommunications, public security, industry and commerce, taxation, banking, and other departments, have successively adopted a series of measures for this work. Some regions and departments have achieved pretty good results in checking and correcting their major problems. A number of departmental malpractices, which the masses strongly resent, have been dealt with sternly. Many departments are treating the improvement of rules, regulations, and the supervisory mechanism as an important job. However, the progress of the work is still uneven. Some departments and

regions still do not sufficiently understand the importance of correcting departmental malpractices. As a result, their measures are ineffective, the work is not emphasized, and some of them are even doing the work perfunctorily.

Xu Qing thinks that departmental malpractices are shown in five ways. One is poor service attitude, characterized by shirking responsibility and making things difficult for people. Next is taking advantage of authority to ask for bribes, characterized by denying service if no bribe is given, or providing unauthorized service if bribe is given. The third is practicing fraud to hurt the state and the people. The fourth is taking advantage of authority to apportion expenses or jobs, impose fines, or collect fees indiscriminately. The fifth is taking advantage of authority to blackmail and violate law and discipline. He said: These malpractices exist to a varying degree in all trades and professions and departments, and some of them are quite serious. Although they are committed by a small number of people, they cause tremendous harms, and hurt the reputation of a trade, profession, or department, as well as the image of the party and the government. They also corrupt social values and adversely affect social stability. We should soberly understand this fact.

Xu Qing pointed out: In accordance with the central authorities' plan, we must make a great determination and effort to concentrate on solving a number of conspicuous problems and effectively curbing departmental malpractices this year and next year.

Xu Qing pointed out: The task of correcting departmental malpractices is arduous. We must mobilize the whole society, adopt various measures, and make comprehensive efforts to perform it. The office for correcting departmental malpractices of the State Council has a clear and definite guiding principle for its work—namely "three reliances and five attentions." We rely on the strong leadership of the party Central Committee and the State Council. We rely on all regions and departments seriously to take up responsibility and make positive efforts. We also rely on the concern and support shown by the broad masses of the people. We pay attention to ideological understanding, particularly leading cadres' ideological understanding. We pay attention to ensuring that principal leading comrades of party committees and governments personally take a hand in the work and establish a responsibility system at various levels, under which the cadres are held responsible for the attainment of certain objectives of the work. We pay attention to putting emphasis on certain departments, trades, and professions, certain problems to be solved, and certain measures. We pay attention to grasping typical cases, summing up and popularizing exemplary experience, commending advanced organizations and persons, helping and supervising backward organizations, and sternly dealing with serious law and discipline violations of certain departments, trades, and professions. We also pay attention to supervision and inspection, combining general calls with specific guidance to promote the work of correcting departmental malpractices.

Xu Qing said: Departmental malpractices are a chronic and stubborn disease, but they are not incurable. We surely can overcome them so long as we truly make persistent efforts.

### Article Views Influx of Peasants Into Cities

HK2805030691 Beijing GONGREN RIBAO in Chinese  
3 May 91 p 3

[Article by Xin Changxing (0207 7022 2502): "An Analysis of the 'Laborer Tide'"]

[Text] Since the Spring Festival, hundreds of thousands of peasants have again been flocking into Guangzhou from Hunan and Sichuan provinces and from the autonomous region of Guangxi. Passenger trains going down from Beijing toward Guangzhou are packed with fellow peasants heading south. Guangzhou railway station's passenger flow capacity has drastically risen from 26,000 to 90,000 per day, of whom 70,000 to 80,000 are peasants from other provinces, and the train station has been thrown into disorder. In the meantime, the numbers of peasant laborers in Beijing, Shanghai, Tianjin, Wuhan, Harbin, and other cities have also risen suddenly. The fact that several million peasant laborers have been flocking into cities has again drawn people's close attraction and discussion.

The "laborer tide" has already existed for four or five years. Since 1988 when large numbers of peasant laborers began flowing into cities, the "laborer tide" has reemerged when the Spring Festival is over each year. Although as soon as this phenomenon began it already attracted the attention of relevant departments, and although relevant departments have made the appeal "do not let peasant laborers exert an impact on cities," or warned peasants not to flow blindly into cities, or the like, all this has failed to weaken peasants' internal impulses to land jobs in cities. They are continually flowing into cities in large numbers to look for countrymen's ideals, which people living in cities hardly understand, in a strange world of people's blaming and scornful looks.

We always hear people call those peasant laborers "blind flow," [mang liu 4159 3177] which is obviously derogatory. What is the meaning of "blind flow?" The Zihai Dictionary does not have this entry. Nonetheless, no matter what its original meaning may be, people use it to refer to those peasant laborers. Perhaps, its approximate meaning is that peasants indiscriminately flowing into cities is a blind behavior. But is it true that they are flowing into cities without a purpose? No. Those peasants have a very clear purpose in going into cities: Look for a new type of work and earn more money.

It is a traditional lifestyle of peasants in China for thousands of years that people go to work when the sun rises and stop working when the sun sets. Many generations of peasants have only known letting their sweat flow onto the yellow earth and repeatedly dreaming that some day they will make a gold doll out of the yellow

earth. But now, they are finally aware that they have left their home countries and dare make their way into a strange world. We should say this is historical progress. However, all social problems arising from their moving are its byproducts.

People living in cities rarely think from the point of view of peasants: Why on earth have they left their own counties and come into cities? Why are those young carpenters standing on sidewalks despite the cold weather and waiting for people to ask them to fix their furniture and sofas? Why are those "young ladies from Huangshan," who have once dreamed of becoming "university students," willing to become nurses of other people's children, and do the laundry and dishes, and clean the house?.... Perhaps, you would say: They want to make money! Yes, they do. But have you ever thought of why people in cities do not engage in such occupations? Because they have better job opportunities, while peasants do not. Therefore, the root cause of their coming into cities is that there is a serious surplus in agricultural work force and a shortage of job opportunities in rural areas. According to relevant experts' analyses, although approximately 100 million people have shifted away from agriculture over the past 10 years, yet there is still a surplus work force of 100 million in agriculture. Therefore, it can be predicted that before the millions of surplus workers can be shifted from agriculture, peasants' impulses to enter cities will not weaken and the "laborer tide" will not subside.

In the face of the "laborer tide," relevant city authorities first of all think of "stopping" it. Of course, it can bring some effects. However, the effects are not particularly good. Why? Because there is a really great unemployment pressure in rural areas and many localities' rural areas offer too few job opportunities to peasants, and so the "laborer tide" is difficult to stop.

The purpose of stopping the "laborer tide" is to prevent peasant workers from exerting an impact on cities, and thus relieve them of the nearly unbearable unemployment pressure. Is there a better way of achieving the same purpose? Yes, the way is developing non-agricultural industries and enlarging job opportunities in rural areas so that the surplus agricultural work force can shift within the rural areas. If peasants can find jobs in rural areas, they will not flock into cities in large numbers, and cities will not have to worry about the "laborer tide" any more.

This is, of course, not a new idea. More than 100 years ago, Engels expounded a similar view. What he said is roughly that in order to save the work force shifting from agriculture from being forced out of work and from flocking into cities, it is necessary to develop industries in rural areas. In China, the idea that "people leave their land without leaving their home country" and that the surplus agricultural work force shifting locally has already become popular for many years. In Sunan, Jiaodong, Wenzhou and other places, peasants have shifted in large numbers to non-agricultural sectors with

the result that almost no peasant from these places is willing to look for a job in a city. Statistics show that approximately 93 million peasants are working in township and town enterprises throughout the country. This is doubtless an outstanding achievement. However, we must not forget that there is still a surplus work force of 100 million waiting to be shifted elsewhere. This demands the vigorous development of township and town enterprises, stepping up the industrialization of rural areas, and offering more non-agricultural job opportunities to peasants in rural areas. This is the radical way of coping with the "laborer tide."

### Article Discusses Housing Reform

HK2605072091 Beijing GONGREN RIBAO in Chinese  
3 May 91 p 3

[Article by Zhang Jianguo (1728 1696 0948): "Several Key Issues Concerning Housing Reform"]

[Text] Housing reform in China's urban areas has lasted for a decade or so. During this period, we experienced high tides as well as some setbacks. Although the public has reached some common understanding of the necessity of housing reform and its basic policies and targets, and also summed up and explored effective housing reform methods in practice, on the whole, the pace of housing reform is still slow nationwide, which is far from our anticipated target. Leading comrades of the central authorities recently stressed on many occasions the necessity of attaching more importance to reform. To attach more importance to reform, I think we should step up efforts to resolve the following key issues:

First, leading cadres at all levels, and principal provincial and city leaders should pay great attention to housing reform. As the old housing system has lasted 40 years, the problems piled up are deep-rooted. Because housing reform involves the vital interests of all workers, the structure of interests to be readjusted is rather complicated. Hence, it will be impossible to carry out work in this respect without due attention of leaders from the top levels. As a matter of fact, in places where housing reform has developed rapidly in recent years and which have achieved marked results, the leaders have paid great attention to and personally taken a hand in the work. Similarly, people have witnessed in the course of housing reform that obstruction comes from vested interests, that is, the families with large living areas. Who has vested interests in the current housing system? Who occupies a housing area larger than others? They are mainly the cadres at all levels, particularly leading cadres. They live in larger houses and the quality of the houses is also better than others. It should be noted that the party's cadres at all levels, leading cadres in particular, have high party spirit. Once they have understood the purpose and significance of housing reform, they will take practical action to promote housing reform. However, we also cannot deny the fact that in actual life, there are a handful of leading cadres who lack self consciousness. They always obstruct or drag down

the progress of housing reform under one excuse or the other. Moreover, some leading comrades are not yet determined for fear that housing reform would affect social stability. Unless we put an end to this state of affairs, it will be impossible to push forward housing reform.

To attach great importance to the work, first, leading cadres should be determined and bold in making policy decisions for housing reform. With a clear target, they should unswervingly continue the work through to the end. In light of the spirit of the speeches made by central leading comrades, policy decisions can be made and experiments can be conducted so long as the housing reform schemes conform to the basic spirit of the State Council's stipulations. If the experiments conducted prove that housing reform can be accepted by the workers and masses, can be undertaken by enterprises, can ease the financial burden, and can speed up the settlement of housing problems, it should be vigorously spread. Second, it is necessary to urge cities, counties, enterprises, and institutions under one's jurisdiction to step up housing reform work. Third, establish and perfect forceful housing reform organs at all levels as quickly as possible. It is also necessary to formulate housing reform supporting measures in coordination with the planning, financial, banking, taxation, labor, and personnel departments.

Second, accurately select the breach. The essence of housing reform is to increase responsibility of individual workers in settling the housing problem and increase their expenses in housing. There are three ways of reform: First, sell houses; second, raise rent; and third, organize workers to build their own houses. Viewed from the practice of housing reform at the previous stage, housing reform involves many problems and the vital interests of almost all the workers and inhabitants in cities and towns. Hence, it is a systematic social policy construction project. Where to start with the reform will be very important for the smooth progress of reform. It is also related to the success or failure of reform. In my opinion, housing reform should adopt the strategy of overall design, development from easy to difficult, progress in stages, and gradual completion. Overall design refers to considering housing reform from the general viewpoint. Regarding the time required for the transition of the old system to a new one and the various measures to be adopted in the entire course of reform, there should be clear and specific planning for what should be reformed first. From easy to difficult refers to starting with the things which can easily be accepted or which the workers and masses are willing to accept. Progress in stages refers to dividing the targets of housing reform into several stages and fighting several campaigns. Gradual completion refers to doing the work steadily and surely and taking full consideration of the continuity of the various stages of housing reform rather than being overanxious for quick success.

Under the guidance of such strategic thinking and in connection with housing reform practice over the years,



I think "new houses" should be the breach of the current housing reform. First, it is necessary to plug the hole of the old system and never let the newly built houses to flow the track of the old system, or sell the houses at preferential prices, or impose high rent for new houses so that the houses newly built every year will first be put on the track of housing commercialization. Through accumulation for some years, a new housing system will gradually take shape. Then it will be far easier to effect a change in the old houses. The advantage of this tactic is that the reform involves a limited field and obstruction is limited. The principle of voluntary purchase can easily be accepted by the workers and masses, and be well-received by those who have housing difficulties and are willing to buy houses. Hence, the reform can be easily implemented, cause limited shock at the beginning, and produce practical effect, speeding up the pace of resolving housing difficulties. Conversely, if the method of increasing rent in a comprehensive way is adopted, it will create difficulties. Increasing rent in a comprehensive way seems fair, but it cannot turn out practical effect. First, it is unlikely that the current housing rent will be raised to a new level and will reach the level of rent cost. Second, subsidies will have to be granted to raise rent, which will be difficult for the state and enterprises to bear. Third, funds collected from the increased rent are not enough to expand housing reproduction. Fourth, "high rent" has a mandatory nature which is psychologically not accepted by the workers and masses. While choosing the method of selling houses first, we should also consider the problem of duly raising the rent. Moreover, the workers and masses should be vigorously organized to muster funds for housing or build houses in cooperation.

Third, take the bearing capacity of the workers and masses fully into account. Since reform and opening up over the past decade or so, the capacity of enterprises and workers has continued to increase on the whole. However, such capacity is uneven in different regions and trades and among workers at different posts. The capacity of workers of the enterprises which are operating at half capacity or which have suspended production, those with low incomes, and those in straitened circumstances is particularly limited. Therefore, the raising of rent or selling of houses should not exceed such bearing capacity. Taking the bearing capacity of enterprises and workers fully into account refers to raising rent and selling houses at appropriate prices. It is also necessary to formulate preferential policies for houses built by workers with pooled funds or in cooperation. When necessary, workers should be given some financial and material support. In some places, the market price of housing has reached over 3,000 yuan per square meter, which is far beyond the capacity of salaried workers. The price of houses should be reduced and buffer measures should be adopted. For example, the methods of paying in installments or raising mortgages on houses from banks can be applied. In a word, the raising of rent or selling of houses should be based on the capacity of enterprises and workers. Otherwise, it will be difficult to realize the hoped-for results, no matter how ideal they are. Fourth, implement measures

which ensure the minimum level of workers' housing. At present, there are still workers' families in cities and towns which have difficulties in livelihood as well as in housing. Although these people account for a minority, it should be seriously dealt with in housing reform. In our socialist country, the government has the responsibility to ensure that every inhabitant has the rudimentary condition of residence. In the course of implementing housing commercialization, we should particularly take into account the basic living conditions of workers' families which have difficulties in livelihood. Early introduction of this policy will enormously reduce obstruction to housing reform and will exert a good political influence. Some local governments are now resolving the housing problem of households with serious difficulties whose average housing area is under 2 square meters. On the one hand, they have adopted reform measures, encouraging affluent workers to offer some money, speeding up the pace of resolving difficulties, and producing fine social effect. Meanwhile, this has exerted a favorable influence on the progress of reform. On the other hand, they have continued to adopt the method of gratuitous distribution of housing for a tiny minority of workers who have difficulties in both livelihood and housing, which met with understanding and general approval of society as a whole. This method is worth following by other localities.

#### **Xu Zhijian Inspects Hebei Pharmaceutical Plant**

SK2505013191 Shijiazhuang Hebei People's Radio  
Network in Mandarin 2200 GMT 6 May 91

[Text] On 6 May, Xu Zhijian, deputy secretary general of the State Council, and Qi Moujia, director of the State Pharmaceutical Administration, inspected the Huabei Pharmaceutical Plant, China's largest pharmaceutical integrated complex, and guided its work.

Accompanied by Song Shuhua, vice governor of Hebei Province, they heard, in detail, the work reports made by the plant leaders; and also inspected the production process of some workshops and branches.

They fully affirmed the plant's production and management achievements made by relying on technological progress and stressing product quality and work efficiency. They hoped that during the Eighth Five-Year Plan, the plant would work in the spirit of doing concrete work and forging ahead, and make greater contributions to developing China's pharmaceutical undertakings.

#### **Nuclear Facilities Exceed Safety Standards**

OW2705074891 Beijing XINHUA in English  
0611 GMT 27 May 91

[Text] Beijing, May 27 (XINHUA)—In China, the amount of radiation escaping from all the nuclear facilities into their local surroundings is much less than the specifications required by national standards, according to today's WORKER'S DAILY [GONGREN RIBAO].



This was unveiled in a report evaluating the quality of the environment around the country's nuclear installations set up in the past 30 years. The report was issued by the China Nuclear Industrial Corporation on May 25, according to the paper.

The evaluation, which is being issued to correspond with World Environment Day on June 5, has been conducted by 600 scientists since 1981 and covered an area of 600,000 square km and a population of 150 million, the paper said.

The scientists found that the radiation levels in most of the nuclear installations in the country just exceed one tenth of that commonly found in nature from such sources as the sun, air, water or soil, the paper noted.

Some Chinese experts attribute the good nuclear environment to the country's nuclear industry's adherence to the policy of "security first" from the very beginning, the paper reported.

Chinese scientists have also made predictions concerning the environment around the country's nuclear power stations, which will have a total installed capacity of six million kw by the year 2000.

Some experts are quoted as saying that nuclear energy is rather clean and that nuclear power stations pollute the environment much less than thermal power plants.

This report is highly appreciated by many Chinese experts who regard it as being very informative, academic and useful, the paper said.

### Economic & Agricultural

#### Chen Junsheng on Rural Enterprise Exports

OW2505214591 Beijing XINHUA Domestic Service  
in Chinese 1024 GMT 18 May 91

[By reporter Ma Chengguang (7456 2052 1639) ]

[Text] Beijing, 18 May (XINHUA)—After freely exchanging experiences and discussing new development plans at the second national conference on village and town enterprise exports, more than 400 representatives from all over the country and relevant central departments listened to a report today by State Councilor Chen Junsheng on speeding up the export-oriented economy of village and town enterprises.

Fei Xiaotong, vice chairman of the Standing Committee of the National People's Congress, attended today's closing ceremony.

At the conference, on behalf of the State Council, Comrade Chen Junsheng first extended cordial regards to conference participants and to comrades on the foreign trade front and from village and town enterprises who have made positive contributions to developing China's foreign trade.

He said that a long time ago, when Comrade Mao Zedong gave a high appraisal of enterprises run by communes and production brigades, he said: Herein lies the bright hope. Since the Third Plenary Session of the 11th CPC Central Committee, a profound change has taken place in China's economy. One of the most notable changes is the rapid development of village and town enterprises, the emergence of which was immediately accompanied by brilliant rays of hope. The vigorous development of village and town enterprises has enlarged the rural economy, employed 22.86 million people, improved peasants' living standards, accelerated industrial modernization in China, and opened up a new path for realizing agricultural and industrial modernization with Chinese characteristics. In practice, village and town enterprises have created a flexible and effective mechanism, demonstrating the special features of the Chinese economy. While products manufactured by village and town enterprises are finding their way into the domestic market, export of these products are also rising. With the rapid increase in the number of foreign-funded and export-oriented enterprises, and enterprises manufacturing products made either of imported materials or of materials supplied by foreign firms themselves, China's capacity to earn more foreign exchange through exports has increased notably. Outstanding achievements have been made in this respect. Some of the export products manufactured by village and town enterprises account for a large proportion of China's foreign trade. Village and town enterprises have become an indispensable and important force in foreign trade and the export-oriented economy.

He said that village and town enterprises shoulder the important historical mission of implementing the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development. Therefore, vigorously developing village and town enterprises and guiding them to earn more foreign exchange through exports in line with the principle of "giving positive support, making rational plans, providing correct guidance, and strengthening management" is an overall question concerning the attainment of the second-step strategic objective of socialist modernization. It is universally known that China has a huge population but insufficient arable land and that it is unrealistic to export large quantities of farm and sideline produce. But China is a vast country with varied natural and climatic conditions. There is substantial potential for developing production of finely processed, high-value farm and sideline products that consume few resources. Therefore, it is quite possible to increase exports of some processed farm and sideline products. It is completely possible to gradually set up a modern system for exporting products from village and town enterprises as long as we do this step by step and according to plan and make good use of advantages for all concerned. Governments and relevant departments at all levels should proceed from the overall interest of developing the national economy and from strengthening the worker-peasant alliance and building

socialism with Chinese characteristics, further recognize the importance of developing village and town enterprises, show concern for and support them in various ways, and create a good external environment for improvement and development.

Chen Junsheng pointed out that the party Central Committee and the State Council have always attached importance to and invested high hopes in the development of export products by village and town enterprises. The resolution of the Seventh Plenary Session of 13th CPC Central Committee fully confirmed the important status and role of village and town enterprises in the national economy as a whole and stressed that "while tapping the export potential of state-run large and medium-sized enterprises, it is necessary to enhance the important role of medium and small enterprises, particularly village and town enterprises, in foreign trade." We shall resolutely implement the guidelines of the 12th CPC Central Committee's Seventh Plenary Session, conscientiously sum up the basic experience of village and town enterprises in earning foreign exchange through exports, and speed up the development of the export-oriented economy of village and town enterprises. To achieve this goal, I would like to propose the following requirements:

First, we must vigorously improve product quality. Product quality is the lifeblood of enterprises. Competition on the international market is essentially a competition of quality. Rural enterprises must accord priority to the promotion of technical advancement and the improvement of product quality. They must enhance the workers' awareness of quality, constantly improve the quality and grade of products, improve and optimize the structure of exports, rely on technical advancement, and enhance the added value of exports.

Second, we must improve business management. Management decides the outcome of rural enterprises' export-oriented economic returns and is an important assurance for the further expansion of foreign trade and export production. Rural enterprises must soundly carry out the various foundation work of business management. They must pay close attention to the motivation of managers and workers at all times. They must truly improve management standards. With a flexible operation mechanism and a modern management, rural enterprises will be able to increase their prowess, improve quality, become strongly competitive, expand exports, and improve economic returns.

Third, we must further promote the link between industry and trade. From this year forward, China will further reform and perfect its foreign trade structure. This important change in the operation mechanism of foreign trade will create more good opportunities for rural enterprises to expand export production as well as generate new difficulties and pressure. Rural enterprises and foreign trade departments must grasp favorable opportunities, transforming difficulties into opportunities and pressure into driving force. They must actively expand all forms of joint operation and cooperation, step

up efforts to build the structure for rural enterprises' export production, and boost the link between industry and trade to a new level.

Fourth, we must actively encourage rural enterprises to cooperate with and supplement large and medium-sized state enterprises. State enterprises must exercise their role as a backbone and leading force of the national economy and earnestly lead rural enterprises to develop in all directions. Rural enterprises shoulder the mission of cooperating and coordinating with large and medium-sized state enterprises. The two sides must help, support, and complement each other and work together to expand foreign trade production.

Fifth, localities and conditions along the coast must actively develop Sino-foreign joint ventures, Sino-foreign contractual joint ventures, wholly foreign-owned enterprises, and enterprises engaged in the three forms of import processing and compensation trade. Rural enterprises in coastal regions must grasp opportunities; make use of overseas Chinese and compatriots from Hong Kong, Macao, and Taiwan; and take advantage of other favorable conditions to develop such enterprises actively. They must use their information and channels in the market as well as their capital and technology to conduct international economic cooperation and trade contacts on an extensive scale. Within the framework of state policies, they must create a fine and highly attractive investment environment and favorable cooperation terms for foreign businessmen and compatriots from Hong Kong, Macao, and Taiwan.

Chen Junsheng said: This meeting signals the fact that earning of foreign exchange through exports by rural enterprises has entered a new developmental stage and will have a positive and driving impact on advancing the development of rural enterprises' export-oriented economy, as well as the expansion of China's foreign trade. He expressed the hope that the vast numbers of rural enterprises and comrades at the forefront of foreign trade will shoulder the burden bestowed by history, unite as one, pool the wisdom and efforts of everyone, and work hard together for the development of China's foreign trade and exports and for the realization of the second-step strategic goal of China's socialist construction.

After Chen Junsheng finished his speech, the conference presented awards to units which have made outstanding contributions to developing foreign trade and exports of rural enterprises.

#### **Report on Strengthening State Enterprises**

HK2405115791 Beijing RENMIN RIBAO in Chinese  
14 May 91 p 1

[Report by staff reporters Zhang Shihong (4545 0013 7703), Liu Shian (0491 1102 1344): "First of All, Thinking Must Be Active: Enlightenment Gained From Shanghai's Jiafeng Cotton Mill"]

[Text] Editor's note: How to further strengthen the vitality of large and medium state enterprises? This has been a hot topic in people's current economic life. The "Proposal by the CPC Central Committee for Formulating the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" pointed out: "Continuously strengthening the vitality of enterprises, especially large and medium ones, is a key link in deepening economic structural reform." Large and medium state enterprises are a major source of state revenue and an important pillar and backbone of China's modernization drive. Strengthening their vitality and giving full play to their role as mainstays has a direct bearing on China's economic development and consolidation of the socialist system. Whether economic structural reform can achieve the expected progress also depends, to a certain extent, upon the results of reform of large and medium state enterprises.

Currently, a considerable number of large and medium state enterprises are encountering some difficulties in their operational activities. These difficulties are not, as viewed by those advocating bourgeois liberalization, the inevitable outcome of the lack of vitality of public ownership and that privatization is the only way out. They are affected by the following two aspects: First, the management structure and operational mechanism in state enterprises, established in accordance with the requirements of a planned economy, are still poorly suited to commodity economic activities and it is necessary to reform them, constantly sum up practical experience, make explorations, and to advance. Second, state enterprises bear heavy burdens and, because of the soaring prices of raw and semifinished materials in recent years, there are difficulties in capital turnover, causing internal "indigestion." As a result, the speed of raising economic results through enterprise management improvement and technological progress cannot keep up with that of dissolution and transference of enterprise income. It is necessary to rely on the understanding and support of all sectors of society, and it is all the more necessary to depend on enterprises themselves to make internal efforts, to gradually enhance their capability to deal with emergencies in the commodity economy. Comrade Li Peng said that "It is necessary to take effective measures in the two aspects of improving the external environment and strengthening internal management. We must pay serious attention to implementing item by item, solve the practical problems of large and medium state enterprises, and strive to notably increase the vitality of these enterprises within a relatively short time."

This is a feasible way. The fact that lots of large and medium state enterprises have created, or are creating, good experiences in this aspect can serve as evidence. In the past, this newspaper has reported and discussed some experiences and articles in this regard. As of today, this newspaper will publish a series of reports written by reporters, entitled: "Fast-Developing Large and Medium State Enterprises," to introduce experiences in this respect from different angles.

The competition in commodity economic activities is very keen, in which the superior wins and the inferior is eliminated. Competitions in quality, variety, efficiency, speed, service, and so on, are in essence competitions in the quality of commodity producers and operators. The masses of workers and their leaders such as directors (managers) and secretaries of party committees in socialist state-owned enterprises are forced to sit for an examination in the wake of the commodity economic movement. The director of Shanghai's Jiafeng Cotton Mill said that the knack of revitalizing their enterprise is not complicated. He said that they thought of things before others and that they did what others wanted, but dared not, do. It is necessary to have the boldness to do things before others. The director's words probably stemmed from his study of keen market competition. [end editor's note]

Jiafeng Cotton Mill, a medium enterprise with 60,000 spindles and 1,000 weaving machines, made a profit of 25 million yuan and earned over \$15.6 million in foreign exchange in 1990, both nearly five times as much as five years ago and achieving the same economic results as large enterprises. It also has 100 million yuan in circulating funds. At present, the mill has basically formed an operational mechanism characterized by independent operation, self-development, self-restraint, and sole responsibility for profits and losses. Facts show that Jiafeng Cotton Mill has begun to revitalize.

Shanghai's textile enterprises likewise had a brilliant history of being "God's favored ones", they also experienced years of hardships. The less than favorable environment has been impartial to everyone so why has Jiafeng Cotton Mill been revitalized?

Director Cheng Jieli said: It is very simple. We thought of things before others and did what others wanted to but dared not do. To revitalize an enterprise, the thinking of its leading cadres should first be active. They should have the boldness to do things before others and their capacity to meet emergencies must be heightened.

Jiafeng Cotton Mill is an old model of China's textile industry. Since 1959, it has turned out export products and a well-known "Jiafeng style" has come into being: Be modest, eager to learn, strict, meticulous, scrupulous about everything, and constantly make improvements. Nevertheless, under the old structure of procurement for export goods, the enterprise could not organize production in accordance with the demand of the international markets; foreign trade procurement prices deviated from product value and quality products could not fetch higher prices. As a result, the more Jiafeng Cotton Mill exported its famous 4040 poplin, the more impoverished it became. In 1984, the mill was awarded a state quality control prize but its retained profits, and the bonus for staff and workers sank into a deep valley, making the mill a "specially poverty-stricken unit" in Shanghai's textile trade.



Poverty gave rise to a desire for change. Jiafeng Cotton Mill was determined to become a live fish, to roam about the ocean of international markets. In August 1985, the mill signed an export agency agreement with the foreign trade department. It was unprecedented for a city textile department to act as an export agent, assume sole responsibility for its own profits and losses, and link its own destiny with the keenly competitive and ever-changing international markets.

Since then, guided by international markets, people in Jiafeng have followed the international markets in their operations and production, producing what the international markets demanded. In line with market information, they first completely revamped 240 machines for weaving absorbent cotton gauze; later, when they anticipated an overstock of 3030 fine cloth, they readjusted to produce high-count grey cloth; and afterwards, they successively produced 4040 poplin with ordinary carding [pu shu 2528 2752] and fine carding [jing shu 4737 2752], which became best sellers in the European and American markets. When the mill learned that large-width poplin was sold at higher prices and was in short supply, they dismantled 432 small-width weaving machines and refitted them into 312 large-width ones. Consequently, the mill made a great success of promptly supplying international markets with a substantial volume of quality large-width poplin.

In Jiafeng Mill, the speed in readjusting product mix is amazing. They closely follow international markets and change the varieties so that they can sell at higher prices, with little input and large output. A new workshop with 25,000 spindles has been renovated four times in four years in accordance with changes in international markets. Each time it was renovated, the grading of its products was improved. Now, the original 1360 weaving machines have all been renovated to large-width ones. The workers said: "This is an earthshaking change." As compared with five years ago, the annual foreign exchange earnings of each machine has increased from \$10,000 to \$20,000 and high-grade products, which are extremely difficult to produce, account for over 90 percent.

Cheng Jieli sighed with feeling and said: If it were not for our great determination to practise the agency system and change with the direction of markets, Jiafeng would not be what it is today!

To have a place in international markets, one must depend on readily marketable products and the competition for product quality is a competition of human quality. This is particularly true in the textile trade. It is said that "a thousand people go in for yarn and ten thousand people for cloth". In carrying out several dozen types of work procedures, it is men that one must depend on. As work in the textile industry is hard and tiring, Jiafeng Mill also experienced a difficult situation in "recruiting and retaining workers." Because the mill is in Jiading, a suburban county of Shanghai, it is really difficult to retain workers whose hearts are tied to the

city proper. What was to be done? Supported by the labor department at the higher level, Jiafeng Mill took the lead among the trade in recruiting rural contract workers and changed the labor power employment system under which state units under the municipal authorities could only recruit workers from the city proper. Those who were unwilling to stay could quit.

Many people were worried that Jiafeng Mill would collapse if many veteran workers quit. The result was: The news of Jiafeng's recruitment caused a sensation in the rural areas in Jiading and the number of enrollment exceeded that of recruitment by several times. The strictly selected new workers were young, hard working, and had good eyesight. They were all middle school graduates, just the excellent material needed for textile workers. A well-conceived plan for in-service training enabled Jiafeng Mill to make a smooth transition from old to new workers and prevented a fluctuation in product quality. In the past five years, Jiafeng Mill has taken in a grand total of 2,000 rural contract workers, accounting for half of the mill's total number of staff and workers, and 65 percent of first-line production workers. They have become a vital new force in the mill and many advanced persons, including Shanghai model worker Lu Min and national expert operator Qian Yaping, have emerged.

Relatively speaking, permanent workers in the mill, being secure with "iron rice bowls", did not make progress as quickly as contract workers. Jiafeng Mill's practice was to adopt contractual management to permanent workers, under which workers were allowed to choose their own jobs and team and group leaders could also select workers; both parties concluded a work duty agreement, personal distribution was linked with contribution and, in this way, the mill realized an optimum labor organization. In appointing cadres, from director to team and group leaders, Jiafeng Mill employed the method of "two-way choice and appointment grade by grade." By way of "two-way choice", some cadres were transferred to other posts, a few failed to be chosen and, in so doing, every cadre on the job was placed at an appropriate post and given the chance to fully display his talent. The guiding ideology of Jiafeng Mill is: The labor and personnel systems must be democratized and they must have transparency, so that enthusiasm can be mobilized. Every item of the above measures has fundamentally guaranteed the enterprise's quality and future.

As every household has a hard nut to crack, so every enterprise has its own knotty problem, which may not be the same. However, human effort is the decisive factor and the largest potential lies in human beings. People in Jiafeng said that as everyone has a head on his shoulders, he has to think of matters by himself more thoroughly. To emancipate people's minds; not merely following what is said by upper authorities; not sticking to conventions; dare to break with evils in the old structure; constantly updating concepts; and not relying on the state but on one's own efforts. All these are exactly the fundamental reasons why Jiafeng Cotton Mill has been revitalized.



## East Region

### Development in Shanghai's Pudong Area Reported

#### Experts Hold Workshop

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["Speeches by Tan Jiazhen (6151 1367 2823), Shou Jinwen (1108 6651 2429), Li Dehua (2621 1795 5478), Pan Hongxuan (3382 3163 5503), Dong Jianhong (5516 7003 3126), Sha Lin (3097 7792), Xi Kezheng (1598 0344 2973), Hong Wenda (3163 2429 6671), Xu Riqing (1776 2480 3237), Zhou Zhishi (0719 5347 4258), Chen Biaoru (7115 1753 1172), Ye Bochu (0673 0130 0443), Sheng Mujie (4141 1970 2638), Deng Shuping (6772 6615 1627), Zhou Jingjiang (0719 6975 3068) at Workshop on Pudong Development, Strategic Significance"]

[Text] Editor's note: Issue No. 12 of this magazine in 1990 carried a special article entitled "Develop the Chang Jiang Delta With Shanghai Taking the Lead". In order to carry out an in-depth exploration of this important topic, the editorial department specially asked comrades Tan Jiazhen and Shou Jinwen to organize and preside over a workshop with the theme: "The Development of Pudong and Its Strategic Significance" in November and December last year. Extracts of the speeches by comrades participating in the workshop have been arranged as follows: [end editor's note]

Tan Jiazhen (vice chairman of the China Democratic League [CDL] Central Committee and chairman of the CDL Shanghai Municipal Committee):

People at home and abroad have been paying a great deal of attention to the development and opening of Pudong. Last April, comrade Fei Xiaotong carried out an investigation in Shanghai to purposefully explore the idea of setting up the Chang Jiang Delta Economic Cooperation and Development Zone. Later, he wrote an article for LIAOWANG, suggesting that Pudong's development should be modeled on Hong Kong and not on Shenzhen. This was so that it could become a center of finance, foreign trade, information, transportation, and science and technology, leading to the development of Jiangsu and Zhejiang and eventually the vast areas in the middle and lower reaches of the Chang Jiang and "triggering" the reform and opening up of the central and western parts of China. In planning its "Eighth Five-Year Plan," Shanghai Municipality gave special emphasis to Pudong's development and, in particular, to the vigorous development of its infrastructure. This was a very correct move. Otherwise, Pudong's development and opening would become empty talk. I agree very much with starting with infrastructure construction. The quality of the people is also very important For Pudong's development. Public opinion abroad says our people's quality is not good. Improving people's quality should be a matter of education. At present, Shanghai's brain drain is the most serious and people's professional ethics and

work discipline are poor. Some people say that Shanghai's traffic conditions have improved but I do not think so. The fact that people jaywalk without caring about traffic lights shows that it is still a matter of education.

For Pudong's development, we should pay attention to training personnel, but the currently available personnel do not play their role very well. It is still common for people to use skilled labor for manual work and unskilled labor for intellectual work. They do not respect intellectuals. I wonder if Shanghai can draft some local policies to alleviate the brain drain. In making plans for Pudong's development, we should stress spiritual civilization. We would rather pay more attention to educating people than setting up a new factory. The response by overseas Chinese is that the quality of people at home is very poor and not suited to the development. Therefore, if we do not improve people's quality, development will turn out to be a failure. The 21st century will be an epoch of knowledge competition. It is necessary to put the question of people's quality on the agenda now.

The Pudong development and opening and setting up the Chang Jiang Delta Economic Cooperation and Development Zone involve a good many questions. Of all those seated here, some of you are responsible persons from various municipal government committees and others are experts and professors. Please express your views from the different angles.

#### Overall Planning, Rationally Dividing Labor, Supplementing Advantages, and Coordinating Development

Shou Jinwen (director of the Shanghai Municipal Committee CDL Economic Committee):

The "Proposals" put forward by the CPC Central Committee for drawing up the 10-Year Program and "Eighth Five-Year Plan" state that one of the emphases in future economic construction is to further improve China's regional economic layout in accordance with the principle of "overall planning, rational division of labor, supplementation of advantages, and coordinated development." This is an important policy decision and will be a vigorous drive for the rationalization of the economic layouts and industrial structures of all localities throughout the country, including the Chang Jiang Delta.

China's coastal open areas, which are prosperous economically, have in recent years been forming three major open regions, namely the southern, eastern, and northern parts, and their division of labor is even. The eastern part includes the provinces of Jiangsu and Zhejiang and Shanghai Municipality. Being the most developed economically, its total industrial and agricultural outputs and exports account for 19 percent and 26 percent of the national total, exceeding those of the southern and northern parts. In the 1990's, a very important decade, integrating the opportunity of opening and developing Pudong, whose focal center is Shanghai, and improving the economic layout of the Chang Jiang Delta, and

bringing into play their comprehensive advantages, will play an enormous role in the stability and development of the national economy.

Shanghai Municipality is currently formulating its 10-Year Program and "Eighth Five-Year Plan" in keeping with the spirit of the Seventh Plenary Session of the 13th CPC Central Committee. It needs to properly consider how to integrate Pudong's opening and development and the improvement of its regional economic layout.

First, Shanghai is located in the center of the eastern coast, possesses good positional conditions and geographic environment, and is the hub radiating to the outside and the inland. In the process of stepping up the export-oriented economy it is necessary to seize the opportunity of its opening and development, increase the extent of its openness, and pursue the omnidirectional open strategy so that it faces the whole country and the whole world and becomes the Chang Jiang valley's, and eventually the whole country's, open window to the outside. It will also institute an operational mechanism matching the international market, thus becoming an important base for introducing, absorbing, digesting, and spreading foreign advanced technology. Therefore, in improving the regional economic layout, Shanghai must first of all coordinate with Jiangsu and Zhejiang in every effort to introduce high-level, and great potential, foreign capital and foreign technology items, and avoid the repeated introduction of ordinary and low-level items owing to the lack of macroscopic guidance in the regional economic layout in former times. Furthermore, Shanghai has to coordinate with the southern and northern open regions so that their own characteristics and advantages can be brought into play. It also has to employ different strategies to participate in international division of labor and international competition.

Second, in readjusting its industrial structure, Shanghai needs to vigorously develop tertiary industries, energetically readjust secondary industries, and stabilize and improve primary industries. The vigorous development of tertiary industries is needed to strengthen Shanghai's role as a focal city and improve its investment environment; this is also an important source of raising funds for future construction. The development emphasis should be on business, foreign trade, financial insurance, tourism, information, and real estate. In 1988, the proportion of tertiary industries in the entire Chang Jiang Delta was 24.4 percent and they have great potential for development. In my opinion, the key to the rationalization of the industrial structure lies in secondary industries. Shanghai's industries must fully use the favorable opportunity and policies for Pudong's opening and development as a drive for development and a new starting point to improve their quality. Industries in the Pudong New Area should be export-oriented, high-quality, and intensive from the start and should produce a number of strategic products that are extremely technology-intensive and bring in good returns and market them in the international market or use them to replace imports. Moreover, it is necessary to expedite the reorganization and transformation of Puxi's industries. Although the readjustment of Shanghai's industrial structure began early, it is still

within the scope of readjusting its product mix and the internal structural contradictions of industries are still quite outstanding. From the beginning of the "Eighth Five-Year Plan" it is necessary to conscientiously grasp the readjustment and transformation of key industries. Moreover, we have to match it to improvement of the economic layout of the Chang Jiang Delta. The processing industries in the area are relatively developed. However, the shortages of energy and raw materials and extensive management, serious backwardness of infrastructure, the lack of vitality in large and medium state enterprises, coupled with the current separate management system and profit sharing pattern, have such an affect on the overall advantages of the regional economy that they must be improved.

Third, improving the regional economic layout is a very strenuous and complicated task and demands the establishment of an authoritative coordinating organization before work can be started. This requires clear specifications by the central authorities.

Li Dehua (honorary president and professor at Tongji University's College of Construction and City Planning):

Comrade Fei Xiaotong's idea of setting up the Chang Jiang Delta Economic Cooperation and Development Zone with Shanghai taking the lead, is in complete agreement with the important strategic policy decision by the CPC Central Committee and State Council. I would also like to say a few other things.

First, geographically, Shanghai and the Chang Jiang Delta are of one body and the Chang Jiang Delta is Shanghai's nearest inland area. If Pudong's development can boost Shanghai, it will definitely promote the further development of the Chang Jiang Delta at the same time. Moreover, a prosperous Chang Jiang Delta is favorable to Shanghai's economy. Only by strengthening cooperation between Shanghai and the Chang Jiang Delta, bringing into play their own advantages, and uniting them as one strong body, can they produce strong, comprehensive advantages. However, the Chang Jiang Delta is under the administration of two provinces and one municipality and, to have good coordination for proper development and construction planning, it is necessary for people to have the same understanding and take concerted action to attain coordination in the use of natural resources, energy, and capital; in trade, traffic, transportation, and ecological management; and in the cooperation between professional personnel and technology so that they can obtain common interests and make greater contributions. In order to achieve this, there should be a unified organization to lead and guide such work. Furthermore, some policies and regulations which are good for and bring benefit to both, should be formulated to create a good cooperative environment.

Second, it is necessary to formulate practical plans for city and county areas. In making plans for different counties and cities, there should be a phase of mutual coordination and adjustment between them. The structure in the Chang Jiang Delta is that cities lead counties.

Therefore, the emphasis can be placed on the city level. We should unify and coordinate the planning of all counties under a city through city planning and, again through city planning, participate in the unified coordination at a higher level.

Third, planning for the city and town system is also important. Economic takeoff will inevitably lead to urbanization. This trend can be seen in the Chang Jiang Delta. From Shanghai to Nanjing in the west and to Hanzhou in the south, there are already two city belts where there are trunks and branches. All the way from Shanghai to Kunshan, Suzhou, Wuxi, and Changzhou, seemingly endless cities and towns have emerged. The Chang Jiang Delta has a strong economic foundation and a dense population. Its rich and surplus rural work force will cause its degree of urbanization to rise dramatically. In order to avoid the indiscriminate and voluntary development of cities and towns, we should formulate scientific plans for the city and town system properly. For determining the sizes of cities and towns in the Chang Jiang Delta area with its dense population, we need to consider the economics of scale and avoid overly small industrial sites and too dense city and town populations.

Pan Hongxuan (deputy director of the Shanghai Municipal People's Government Planning Committee)

In 1990, the CPC Central Committee and State Council made the decision on Pudong's development and opening. Before this, the majority of cities along the banks of the Chang Jiang and in the Taihu Valley had been rated as open cities. This indicates that the opening of the Chang Jiang Delta area, with Shanghai taking the lead, will become a vast-area, multi-level, and omnidirectional opening.

The Chang Jiang Delta borders the East Sea and acts like a guard for the Chang Jiang. It has an area of 100,000 square km and a population of approximately 70 million. It also has always been the most developed economic, technological, and cultural area in China. In 1988, the entire area's total industrial and agricultural output value accounted for 15.5 percent of the national total, with the per capita level 2.4 times higher than the national. Its per capita GNP was 2,743 yuan, which is near the strategic comparatively well-off level. Its port handling capacity accounted for 70.6 percent of the national total, of which Shanghai accounted for 35 percent of the national total. Its total export value was over \$7 billion, accounting for 15 percent of the national total, and the foreign funds it actually utilized totaled \$2.92 billion, representing nearly one-third of the national total. Compared with other coastal areas in the east, the Chang Jiang Delta area obviously has better advantages in geographical environment and conditions; industrial foundation; scientific, technological and educational capabilities; comprehensive economic returns; economic links with inland and the outside; or in the degree of urbanization.

Furthermore, this area also has obvious weaknesses and numerous difficulties. In the past 10 years, there have

been too many processing industries and overlapping development projects, their industrial structures have tended to be similar, and their regional separation and blockading of each other have been rather serious. Coupled with shortages of raw materials and energy and the annoyance factor from extensive management, structural contradictions have become very outstanding. Large and medium enterprises in the area are concentrated but their lack of vitality, as well as the excessively heavy burden of taxes and profits to be turned over, has led to obsolescence of enterprise equipment, low organic capital structure, technological advancement contributing less than 25 percent to economic growth, and insufficient future development capacity. The dense population makes it difficult for the rural surplus work force to find jobs and the agricultural foundation is not stable enough. The area's infrastructure was old and backward and main communications arteries, in particular, are low in density and poor in grade, so that there is a great demand for sea, inland, and air transportation. The total populations and population density of large and medium cities far exceed the bearable volumes of city development scale and environment capacities. Moreover, industrial enterprises, which account for 60 percent of the total industrial output, are concentrated and many take up a lot of space, consume a lot of raw materials, cause serious pollution, etc.

I believe that only by exposing the advantages and weaknesses of the area and obtaining a relatively comprehensive and accurate estimate, can we be sure of the area's characteristics. Then, in line with the spirit that interests everywhere in the country are linked, and that the country as a whole is a unified market, on the prerequisite of improving the overall returns of the national economy and in accordance with state industrial policies, we should make overall plans for the area, arrange for rational division of labor, carry forward advantages and avoid, or make up for, disadvantages to combine all individual advantages for coordinated development. In prompting the Chang Jiang Delta to practice the "three-step walk" development strategy all over the country, we should make it play a better and more special role.

Dong Jianhong (Tongji University professor):

Before the anti-Japanese war, Shanghai was the biggest economic center in the Far East. Since liberation, Shanghai has become the biggest industrial base in the country with a comprehensive industrial scope but its financial and foreign trade functions have relatively waned. Hong Kong has gradually taken over the former role and functions of Shanghai. The current development goal of opening Pudong is to retrieve Shanghai's past role and functions which were assumed by Hong Kong (however, there is no need for Shanghai to prevail over Hong Kong because Hong Kong will be returned to the motherland in 1997). What is most attractive about Pudong is the free trade and processing industrial zone and that foreign banks can be set up there. Its foreign trade can be combined with business and trade at home,



encouraging businessmen at home and from abroad to make business exchanges there.

The relationship between Pudong and the Chang Jiang Delta should be modeled on that between a shop and a factory, as illustrated by the example of the Ningpo Embroidery and Clothing Factory. That is, setting up a foreign-trade point, which is to be staffed by only a few persons, to carry on trade negotiations and obtain market information. Some cities and towns in the delta have production teams comprising several hundred people. We should imitate the Zhu Jiang Delta's current practice by spreading labor-intensive processing industries among the cities and towns throughout the Chang Jiang Delta and use these kinds of industries to replace those current township and town enterprises which consume a great deal of energy, cause pollution, scramble for raw materials with large factories, and affect the ecological environment.

The fact that Shanghai was able to quickly take Guangzhou's place after the five ports were opened to foreign trade is because it is located at the mouth of the Chang Jiang and is the center of sea transportation for the south and north. Pudong is not only the window and gate of the delta but also the eastern gate for the entire Chang Jiang valley.

From the north to the south, coastal open cities include Dalian in the mid-north, whose hinterland is the north-east and part of Inner Mongolia; port cities with Shanghai as the center in the middle, whose hinterland is the Chang Jiang Delta; further south are the group of cities including Xiamen, Fuzhou, Quanzhou; and in the south there are a group of port cities with Hong Kong and Guangzhou as the center, including Hainan and Guangxi's Beihai, whose hinterland embraces the Zhu Jiang Valley and the four provinces in the southwest. In horizontal links, these many port cities can take Shanghai as the center.

The various provinces along the Chang Jiang valley can set up their own development zones, or can directly open themselves to the outside and carry out import and export trade. They do not necessarily have to export their goods via Shanghai. However, Shanghai's Free Trade and Processing Zone is an omnidirectional open window. The Chang Jiang's city belt should have industries for effective division of labor and its middle and lower reaches should set up raw materials and energy industries. The relatively elevated banks of the Chang Jiang in the Yichang-Zhijiang section, and the sufficiency of power supply from the Gezhou Dam, makes it a good river section for industrial development. These cities and industries linking the Chang Jiang find their eastern gate in Shanghai.

Sha Lin (deputy director of the Shanghai Municipal People's Government Pudong Development Office):

The real significance of Pudong's development is to bring into play the role of Shanghai and the Chang Jiang Delta as Premier Li Peng and General Secretary Jiang Zemin recently said. Let me say a few things:

First, the overall current situations at home and abroad cannot be said to be at their best. Since the central authorities announced Pudong's development, we have received enthusiastic responses from all sectors. There are two reasons for the fact that opinions at home and abroad pay such great attention to Pudong's development:

First, Pudong lies behind Shanghai, which is one of the most important economic, scientific, and technological bases in the country. Second, Pudong lies where the golden waterway [huang jin shui dao 7806 6855 3055 6670] and gold coast [huang jin hai an 7806 6855 3189 1489] meet.

The central authorities are conscientiously doing several things for Shanghai. For intangible conditions, they pay attention to 10 things and afterward will draw up nine legal documents. The free trade zone will have a definite degree of openness and can carry out entrepot trade and grant foreign businesses preferential treatment ranging from 10 to 15 percent [as published]. It can open some sites for foreign businesses to set up tertiary industries such as establishing banks. As for domestic funds, we can generally grant preferential treatment according to industrial guidance.

Second, it is necessary to have appropriate planning. We should make a general layout first and then formulate specific plans. In formulating specific plans, we should make great efforts because they are radical measures. Being a regional center, why has Shanghai gradually weakened since liberation and become weaker and weaker? The reason is that its overall infrastructure is backward, it has little city space, and it is difficult to instantly readjust the industrial structure. With the vast area of Pudong, Shanghai now has more room for readjustment.

Third, we should urbanize Pudong at one go, but should gradually develop it. The three zones which have been approved in the first phase (the 4 square km Free Trade Zone, the 4 square km Jinqiao Exports Processing Zone, and the 1.5 square km Lujiazui Financial and Trade Zone) put together do not total 10 square km but will require 10 years to develop.

In developing Pudong it is necessary to make committed efforts to transform a center and pay special attention to finance, foreign trade, and home trade. These business activities should be on a high level and, when their leading role has been strengthened, they will radiate to the Chang Jiang Delta and make the industrial structures of the Chang Jiang Delta and Shanghai less and less identical yet similar to the industrial structures of South-east Asian countries.

One of the objectives for Pudong's development is to invest massively on an area of 350 square km. Its living standards should be like those of international cities and its traffic system should be led by its infrastructure so that a traffic system with wider scope be established, making Pudong the hub of the Chang Jiang Delta. What long-range plans should be made for the Waigaoqiao Port? How shall we construct a third-generation container wharf? These are related to the integration of the



Chang Jiang Delta and to the question of big traffic and big finance. Deepen Reform, Develop Pudong, and Invigorate Shanghai [subhead]

Xi Kezheng (Shanghai University of Finance and Economics professor):

Invigorating Shanghai and developing Pudong is an important strategic policy decision by the CPC Central Committee under the new situation. We should see that this is a good opportunity to vigorously develop Shanghai and fully estimate the difficulties and problems we are to face in the future. Carefully analyzing and studying various difficulties and questions, and correctly handling the relations between all aspects, is the necessary guarantee for implementing the CPC Central Committee's strategic policy decision.

First, what sort of municipality Shanghai will develop into is presently a very hot topic among Shanghai's theoretical circles. From a long-term point of view, Shanghai should become the largest economic center in the country or even the Far East. Nonetheless, what are the concrete, short-term objectives? I think that Shanghai should, on the basis of readjusting its industrial structure, develop into a multi-functional city and should pay special attention to tertiary industries and change its former emphasis on heavy industries. However, it is also incorrect to abandon traditional industries for the sake of developing tertiary industries.

Shanghai's light industries, especially its textiles industry, have numerous problems and difficulties and the entire textiles industry is on the verge of crumbling. I think that for these traditional industries, we should not pursue the "preferential policy" any longer, while we should encourage them to develop in the direction of high quality, precision, and sophistication, by using a small proportion of foreign funds and absorbing foreign advanced technology and management experience.

Second, I think that Shanghai should not make it a strategic goal to solely develop the export-oriented economy. Theoretically speaking, the export-oriented economy means that a country or region's economic links, such as production, exchanges, and circulation, must be linked with the world market as one. May we ask if it is possible to attain such economic integration in a socialist country and under the conditions of the planned commodity economy? Of course not. I suggest that the strategic goal of developing the open economy, which integrates domestic and foreign needs, be pursued.

Third, funds are an important question. It is estimated that Pudong's development entails an investment of 50 billion yuan over five years. Where can we obtain the funds still needed? Many people think we can rely on foreign funds. For this reason, it is necessary to analyze and study the world's economic situation and the flow of international capital. Why have only so few agreements been made despite large numbers of foreign businesses coming to Shanghai for negotiations? There are numerous reasons but I think there are two major ones: First, changes in the Soviet

Union and Eastern Europe have directed large amounts of international capital into these countries. Second, the political turmoil which occurred in our country in 1989 has influenced Western investors.

Under the current situation whereby we have difficulty utilizing foreign funds, I think that we should mainly use domestic funds during the next few years. The central authorities and Shanghai should pursue preferential policies for investors at home to encourage them to make contributions to the development of Shanghai and Pudong. They can obtain better profits from their investments at the same time.

Fourth, foreign investors invest in our country because it has a vast commodity market where they can obtain maximum profits. If we close the home market to foreign investors, many will hesitate over their investments. I think that Shanghai and Pudong can open part of its import replacement market to foreign businesses to encourage them to introduce funds, technology, and management methods.

Fifth, we should appropriately handle the relations between Pudong's development and Puxi's transformation. For the handling of the relations between Pudong and Puxi, some people have suggested the method of "one municipality, two systems," namely "using a new system for the new area and an old system for the old area." I do not think it is practical. Pudong's development should be based on Puxi and, during the course of Pudong's development, this should bring about Puxi's reform and development. Their relations are that "the east [Pudong] promotes the west [Puxi] and the same attention should be paid to both." The preferential policies applicable to Pudong should also be applicable to Puxi. We should not pursue a "regional preferential" policy but should draw the economic development lessons from some developing countries by pursuing the "industrial preferential" policy which grants favors mainly to high-tech, high-exporting, and key industries.

Hong Wenda (dean of the Fudan University Faculty of Economics):

As the largest city in China, Shanghai's status and role have, no doubt, been lowered, whether in its economic role in the country or by comparing it with other major cities of the Far East. There are, of course, some historical reasons and conditions for this. After the Opium War, Shanghai was opened as a trading port. With its advantage as a port where the river and the sea meet, and with the fertile Chang Jiang valley as its hinterland, Shanghai succeeded in absorbing Chinese and foreign capital and became an important financial center in the Far East. However, before liberation and after enduring the ravages of war and the extremely corrupt rule of the Kuomintang Party during their last days on the mainland, Shanghai's economy was ruined and it was on the verge of crumbling. After liberation, through transformation, Shanghai has continued to be the largest industrial city in China. However, owing to the highly-centralized

central planning system and the long-term enforced close-door situation, Shanghai's former port advantages and trade and financial functions have declined, making it impossible to bring its advantages into play. Moreover, it has been confronted with numerous difficulties, such as structural imbalance, urban decay, and heavy financial burdens.

Shanghai needs to be revitalized and the national economy also demands that Shanghai play a role as an economic center. Today, when the extent of openness is being increased and reform deepened, Shanghai also has favorable opportunities and conditions for vigorous development.

Therefore, under the guidance of central policies, we should stress the development and opening of Pudong and reinvigorate Shanghai as an economic center. We should adhere to the direction of track-connecting and radiating export-oriented economic development, push Shanghai toward the international market to bring about the economic development of the Chang Jiang Delta and, eventually, the entire Chang Jiang valley. This can reinvigorate Shanghai and enable it to play its role in promoting the development of the national economy.

Reinforcing Shanghai's role as an economic center once again is the general objective of Pudong's development and opening. Therefore, in the industrial structure of the New Pudong Area, we should place special emphasis on tertiary industries. These are relatively backward at present and will focus on trade and finance in the future. The New Pudong Area, which depends on the central authorities' special policies to expand and attract foreign funds, should begin industrial development with a higher starting point.

Moreover, the development of tertiary industries should also be favorable to the improvement of the investment environment in attracting foreign funds and funds from home to participate in its development. I do not think that developing tertiary industries with special emphasis on trade and finance means neglecting other industries because, to revitalize Shanghai, it is necessary to integrate the industries of Pudong and Puxi. Relying on the establishment of the bonded [boa shun 0202 4451] zone and the international financial and trade zone, Pudong will be more suited to the development of tertiary industries and, on this basis, it will be able to boost the economy of Shanghai as a whole.

Developing and opening Pudong will inevitably involve the relations between Pudong and Puxi. The New Pudong Area should rely on Puxi. On the other hand, it should bring along the Puxi area in reform and opening up. In integrating the two areas, there will be some structural friction. As a special area structurally and in policy, Pudong is suited to maintaining links with the international market. In its economic operations, it demands market regulation as the basis under the guidance of central plans. This is different from Puxi's structure which integrates the planned economy and market regulation. In order to adjust to this situation,

Puxi should, under the drive of Pudong, go onto the forefront in reform and opening up in the country. The proportion of its market regulation, joint ventures, and export-oriented economy should be higher than all other cities on the mainland, so that a trapezoidal tilting policy will be adopted for the area stretching from Pudong, to Puxi, the Chang Jiang Delta, and the entire Chang Jiang valley. Only in this way can we make the policies gradually coordinate and make Pudong play the role as a window to the international market and a role radiating to areas with different extents of openness.

In the historical task of revitalizing Shanghai, opening up, reform, and development go side by side. Opening up promotes reform and in turn brings about economic development. Therefore, in order to revitalize Shanghai, it is necessary to pay attention to the central link of deepening reform. Only by deepening reform can we fortify the results of opening and expedite economic development.

#### **It Is Necessary to Raise Funds Through a Variety of Channels for Pudong's Development and Opening**

Xu Riqing (research fellow from the Shanghai Academy of Social Sciences Institute of Economics):

For the development of Pudong in the 1990's, there are many favorable conditions and also many difficulties, the main one being fund shortages. Therefore, using the comprehensive financial capacity through a variety of channels to raise funds is a question badly needing a solution.

First, it is necessary to find and accumulate local budgetary finances. At present, for the accumulation of funds, we should emphasize the following aspects: 1) increase economic returns. Here we emphasize technological progress. 2) Strengthen operation and management. 3) Prevent the financial capacity from being scattered at the microscopic level. It is necessary to curb unceasing social apportioning among enterprises, and 4) It is necessary to standardize the payment modes for taxes and allow no willful reductions.

Second, it is necessary to guide the flow of extrabudgetary funds. At present, Shanghai's extrabudgetary funds are larger than the budgetary funds to be turned over to the central authorities. Extrabudgetary funds are a product of our financial system reform. We should acknowledge that all units have the right to use their funds but we should make their volume and direction of flow correspond with Pudong's development and prevent all sorts of funds from being used without regard to their counteracting effects.

Third, it is necessary to absorb funds from society. The most effective way of raising funds from society is to issue various kinds of bonds and stocks. The second-class stock trading market should be set up as soon as possible. Plans for issuing bonds for Pudong's development should be vigorously stepped up, while other fundraising modes, such as issuing Pudong Development Foundation Lucky Draw Tickets and sponsorship, can also be used.

Fourth, it is necessary to strive for funds from various central ministries and from sister provinces and cities and allow them to set up enterprises in Pudong.

In addition to raising funds at home, Shanghai should also be positive and courageous in using foreign funds. Using the "foreign pigeon to lay eggs" is an important international experience. We should also analyze the direction and volume of the flow of international funds, pay attention to the trend, and make appropriate use of foreign funds.

Some people have proposed the idea of "using foreign funds without shouldering foreign debts and using domestic borrowings without shouldering domestic debts." I appreciate that very much. The method for us to owe no debts and take less risks is to expedite the renting out of the right of use of Shanghai's land. We believe that if the proceeds from the renting out of this right can reach as much as 10 percent of Shanghai's revenues, namely 1.65 billion yuan per year, it will inject a lot of vitality into local finances. Furthermore, financial development banks jointly funded by China and foreign countries which have suggested instituting the share system, should attract foreign businesses to purchase part of the shares and these banks' stocks should be listed on the stock exchange from the very beginning of their issuing. Local development banks should expend more energy raising funds for Pudong's development and Shanghai's invigoration.

We also need to expedite the practice of experimental standardized joint-stock enterprises in the Pudong area. As a means of fundraising, stocks can appropriately alleviate the contradiction between funds supply and demand and, therefore, should be utilized.

The Pudong Special Zone's development entails large amounts of investment in a short period of time and its overall economy should be managed according to international practice. This includes setting up a national stock exchange in Shanghai. According to international experience, on being set up, the stock exchange should mainly concentrate on state bonds and then on stocks. This is also favorable to converting long-term capital into short-term capital during the purchase of bonds or stocks, thus expediting the mobility of the capital used for the purchase of bonds.

Zhou Zhishi (senior economist, vice president of the Shanghai Branch of the People's Bank of China):

Developing Pudong entails large amounts of funds. In addition to dependence on the support of the central authorities and relevant ministries, funds can be raised in the following five ways:

First, we should expedite practice of the joint stock system. At present, only 11 enterprises are trying out the joint stock system, of which 7 have been allowed to list and trade their stocks. This is not enough. There are large amounts of idle funds in society desiring to purchase stocks and the situation whereby such idle funds are more than can be absorbed

should be reversed. We should allow old experimental units to issue additional stocks and allow new experimental units to publicly issue stocks. We should allow foreigners to purchase foreign-currency or renminbi stocks and we should allow a small number of units to issue foreign-currency stocks outside Chinese borders, thus mobilizing people at home and abroad to contribute their funds to the development of Pudong.

Second, we should gradually improve Shanghai's stock exchange. We should make efforts to improve the varieties for exchange, modes of exchange, and market management, and gradually proceed with trading emphasizing both bonds and stocks.

Third, we should plan to set up an Eastern China Large Zone Foreign Exchange Regulating Market. At present, Shanghai's foreign exchange volume under regulation accounts for 13 percent of the national total. We should use Shanghai as the basis, extend into eastern China, and influence the whole country and set up a large zone market. This is good for increasing exports and matching the reform of the foreign trade system.

Fourth, we should set up an interbank [chain jie 2135 0234] market for short-term funds to serve eastern China. All financial institutes in eastern China have frequent exchanges with one another and have substantially abundant funds and their short-term financing is objectively necessary. We should make the best use of inter-institutional differences, time differences, and area differences to regulate supply and demand; attract funds from other provinces; and to make contributions to Pudong's development and to the invigoration of domestic associated enterprises.

Fifth, we should set up the "New Pudong Area Development Foundation." We should put the funds raised specially into the development of the New Pudong Area. Two modes are possible: First, issue renminbi "foundation" bonds to enterprises and individuals at home. Second, issue foreign-currency "foundation" bonds to foreign establishments and individuals. The latter should first be issued outside Chinese borders and, when the time is ripe, they can be issued within the borders. Nevertheless, the "foundation" income must be transferred back for use on the mainland.

Chen Biaoru (East China Teachers' University professor):

Shanghai's current market operation environment cannot meet the demands of foreign businesses. In order to improve the investment environment and expedite the introduction of foreign funds, we also need to take some strategic financial measures:

First, we should strengthen the functions of the Shanghai Branch of the People's Bank of China. During the "Eighth Five-Year Plan" Shanghai needs large amounts of foreign funds and, therefore, we should enlarge its financial links with the outside world and have careful planning and effective management for the scale and modes of borrowing, placement of foreign funds, the economic returns from the



use of foreign funds, and the repayment ability. In this way we will be able to bring into full play the role of foreign funds. In order to increase and effectively use foreign funds, in the system of branch organizations of the People's Bank of China, the Shanghai branch should be the "head of all branches" and should act like the New York Federal Reserve Bank, which is the pivot for other 12 Federal Reserve banks.

Second, we should set up a national foreign-exchange regulation center in Shanghai. At present, there are 96 foreign-exchange regulation markets throughout the country. Owing to separate regional administrations, regulated prices are very inconsistent and are becoming increasingly unsuited to the economic environment of reform and opening up. It is now necessary to break the regional barriers and walls of foreign-exchange funds, regulate foreign exchange within the country, and form a unified market. For this reason, the foreign-exchange regulation market can use the method of export exchange settlement certificates. After earning its foreign exchange through export, a non-state-owned enterprise can exchange this for an exchange settlement certificate and sell it freely on the foreign-exchange market. When an importing unit has obtained an import license, it can purchase on the foreign-exchange market an exchange settlement certificate at the market price in order to collect foreign funds to import goods. The price of the exchange settlement certificate is the exchange price of renminbi. In this way, the foreign-exchange regulated prices throughout the country will tend to be consistent. When regional foreign-exchange regulation centers are linked together in business, they can set up a national foreign-exchange regulation center in Shanghai, thus offering better opportunities for the inflow of the foreign funds Shanghai badly needs.

Third, we should vigorously practice free exchange of renminbi. During the "Eighth Five-Year Plan," we should gradually lift the various limitations on foreign exchange and make renminbi an exchangeable currency at home. The free exchange of a currency enables its exchange rate to better reflect the actual situation of the market, promote foreign trade, step up the inflow of foreign funds, strengthen links with money markets around the world, reinforce the status of renminbi among world currencies, and thus bring about the economic development of Shanghai and the country. However, there must be some definite conditions, namely vigorously develop the production of good-performance products, reform the foreign funds system, increase exports, and set up abundant and substantial foreign exchange reserves.

Fourth, we should draw up plans for offshore financial business. The offshore market has now become the nucleus of the international money market. Offshore financial business refers to the business activities of financial institutions set up in a country whose financial system is not related to that particular country. There are several advantages in gradually starting some offshore financial businesses in Pudong during the "Ninth Five-Year Plan" [figure as published]: First, although the

offshore market is totally separate from the domestic money market, in fact, they still have close links which can expedite the development of the domestic money market. Second, it [Pudong] can fully develop the export-oriented economy, become more international, and develop Shanghai into an important international financial center of the Asian-Pacific Region. Furthermore, it can absorb large amounts of foreign funds and thus collect considerable quantities of available foreign currency deposits and financial service charges. This is good for introducing foreign funds and boosting the economy. Therefore, setting up an offshore market in Pudong should be a strategic goal which Shanghai should make efforts to achieve at the end of this century to improve its market and operation environment.

Ye Bochu (deputy director of the Shanghai Municipal Government Construction Committee):

How shall we integrate Pudong's development and opening with the Chang Jiang Delta's development? I would like to suggest the following from the angle of absorbing foreign funds:

First, it is of positive significance to expediting Pudong's development for Shanghai's Pudong to absorb foreign funds and allow the setting up of foreign banks so that they can make investments of foreign funds, offer foreign currency credits, and offer financial support enterprises of three capital sources. If the foreign banks set up in Pudong are allowed to do business not only in Pudong but as far afield as the Chang Jiang Delta, it will be very helpful for the Chang Jiang Delta in raising funds to develop enterprises of three capital sources. Therefore, after the foreign banks in Pudong have operated for a period of time, we should selectively designate that some banks be allowed to start business activities in the Chang Jiang Delta, hence promoting its development.

Second, it is a common international practice to set up a stock exchange and bond market and use stocks to raise funds to serve Shanghai's construction and Pudong's development and opening. If Shanghai's stock trade is opened, to a certain extent, to foreign investors, and if foreign investors are allowed to purchase Chinese bonds and engage in the purchase and sale of Chinese bonds, it will allow the home enterprises and enterprises of three capital sources in the Chang Jiang Delta to issue stocks and list them on Shanghai's stock market in accordance with regulations. Likewise, stocks could be used to raise funds to serve the development of the Chang Jiang Delta.

Third, when attracting foreign funds to develop enterprises of three capital sources, Shanghai's Pudong and the Chang Jiang Delta must comply with plans and demands for the readjustment of their industrial structures. They should lay particular emphasis on specific areas, coordinate with each other, and avoid collisions and disputes. Of course, since Shanghai and the Chang Jiang Delta are short of energy and natural resources, many of their industries are similar and, therefore, competition is unavoidable. However, it is completely



possible for each to use their own characteristics and advantages and attract foreign funds to particularly develop some areas. They can exchange their experiences in running the development area and attracting foreign funds in order to seek common development.

Sheng Mujie (People's Bank of China Research Department professor):

The policy decision to develop and open Pudong by the central authorities is a wise and correct one. The following are my personal views about Pudong's development:

In thinking, we should dare to discard those thoughts and theories which retard Shanghai's development and should particularly make it an acceptable idea that "they can make money and so can I." If something brings little or no profit to them, how will they be willing to come and go through the difficulties? If so, it would also be unfavorable to us.

As far as measures are concerned, we should conscientiously consider the following five experiences: First, the lending of land should be freely approved and must not be suddenly monopolized. Second, we should allow the setting up of foreign firms and foreign banks and let foreigners use foreign funds to develop this piece of land. We can, of course, also develop trade from this, utilize foreign funds, and introduce advanced technology. Third, we should set up joint stock companies so that it will be easy to raise funds, or obtain additional funds, to start and run enterprises. Fourth, we should attach simultaneous importance to domestic and foreign funds and should not have blind faith in foreign funds. For Shanghai's development in former times, many funds came from domestic sources. Therefore, if we only favor foreign funds, we will probably end up with losses or be taken in. Fifth, we should not seek immediate achievements and successes in such a way that we beg for handouts from others. We should use strategic tactics of gradual development. The former Shanghai went through over 80 years of gradual development and extension and we can, of course, shorten the time today.

#### **Face the 21st Century, Face the World, and Face Modernization**

Deng Shuping (Tongji University Construction and City Planning Faculty professor):

Developing the New Pudong Area is not only necessary for boosting Shanghai's economy and developing the Chang Jiang Delta but is also an important component of China's economic development strategy.

Pudong's development has important objectives. First, economically speaking, we should integrate Pudong's development and Shanghai's industrial structure readjustment, vigorously develop high-tech and newly-emerging industries, set up high-level export commodities processing bases, and produce competitive high-grade and quality products which reach international advanced levels. We should also expand foreign export

trade. Second, while invigorating industries we should, at the same time, develop tertiary industries, especially the development of finance, trade, commodity sale, high-tech and information industries, and create material conditions for the restoration of Shanghai as one of the two largest commercial port and financial centers on either side of the Pacific. As for city construction, the Pudong area, which is under development, offers an ideal place for Shanghai's expansion and should also be an example for the planning and construction of big modern cities. While developing Pudong, we should create conditions for scattering, transforming, and renewing Puxi's highly-populated old area. In order to achieve this goal, Pudong's development should face the 21st century, the world, and modernization, and the New Pudong Area's construction should reach the level of international first-rate cities.

Facing the 21st century means that in drawing up plans for Pudong's development, it is necessary to have a good grasp of China's and the world's economic and social development trends so that, in the 21st century, Shanghai can attain the level of first-rate city in the world. At present, we should use Shanghai's technological and personnel advantages and actively develop the high-technology and newly-emerging industries which represent the future development direction. In city construction, management, and other aspects, we should use modern technology to gradually carry out computerized and systematic management.

Facing the world means creating an environment favorable to international exchanges. In developing that area, we should possess the material foundation, environment, and atmosphere of international cities so that foreign investors and their family members can live comfortably, content, and happily in their homes in Pudong. The new area will be a place where people of different nationalities and religions live and work together. It should suit the demands of a variety of lifestyles and behavior patterns.

In facing modernization, we should first of all possess a reasonable city layout, excellent city working and living environments, technologically-advanced city public utilities and municipal engineering facilities, and, especially, traffic facilities, sensitive communications network, high-quality houses and apartments, perfect public service facilities, public green parks, and so forth.

In order to realize the abovementioned "three facings" and develop Pudong into a first-rate city, it is necessary to foster the following concepts in the leadership, decisionmaking, drawing up, and carrying out of development plans: 1) The concept of economic development; 2) The cultural concept; 3) The social concept; 4) The environmental concept; 5) The concept of technological progress; and 6) The concept of rule by law. In the meantime, we should also oppose two ideas: The utilitarian idea and the idea of having no respect for science. Generally speaking, in developing and constructing Pudong we should really be able to show great foresight

and conform to the laws of economics and city development. Foresight, the continuity of policies, and a scientific attitude are the guarantees for achieving the grand goal of opening and developing Pudong.

Zhou Jingjiang (deputy director of the Shanghai Municipal Planning Bureau Technology Committee):

The key to the proper development of Pudong is to increase Pudong's cohesive force and radiating capacity.

First, there are many factors in strengthening the cohesive force and radiating capacity, such as policies, systems, and the international environment. Nevertheless, Pudong's own material factor is above all. What sort of outlook Pudong appears to have is particularly important because it is related to its cohesive force and radiating strength. For Pudong's development, we should have great foresight. That is to say, we should begin with a high starting point, be farsighted, and face the 21st century. It should have a first-rate city with convenient transportation and sensitive information. It should have many fine ports that suit the containerized traffic of the third generation. Its airport should suit the takeoff and landing of large passenger planes and its railroad and expressway network should cover the whole country. It should have all kinds of facilities and a fine environment where people are able to work conveniently and live quietly and comfortably. Only in this way will we be able to attract large numbers of foreign visitors and enable its finance and trade to enter the world market.

Second, we should integrate Pudong and Puxi, with the former bringing along the latter while the latter supports the former, and improve the overall functions of the city. Pudong is a component of the municipality of Shanghai, while being independent of it to a definite extent. When improving its own material factors, Pudong should pay attention to, and make the best use of, the original foundation in Puxi so as to improve the city's overall functions. For Pudong's development, we can use its relatively large extent of openness to raise funds and expand exports and promote the transformation of the old area of Puxi through the development of the New Pudong Area. Puxi can use its original powerful industrial and technological foundations to support Pudong during its development period and thus step up its development pace. Pudong and Puxi should integrate themselves closely and strengthen links. In the development of municipal public facilities such as linked expressways, the Yuejiang project, water diversion works in the upper reaches, electricity and telecommunications, and the layout of industries and tertiary industries, we should consider Pudong's independence and pay attention to the overall situation of Pudong and Puxi so that they can support and promote each other.

Third, Pudong's development is a project straddling the next century. It embraces a wide scope, will take a long time, and entails mammoth capital. Therefore, we must consider the investment returns. In order to ensure this, first of all we need a careful layout and second, we need

concentrated development rather than scattered development which would cause poor management, fund immobility, and low returns, and consequently make investors hesitate. We should make arrangements systematically, step by step, and level by level so that we will have objectives and obtain returns each year and project by project, reap where we have sown, attract investors, and gradually improve the investment environment.

### **Largest Gas Network Built**

OW2705090591 Beijing XINHUA in English  
0723 GMT 27 May 91

[Text] Shanghai, May 27 (XINHUA)—A huge gasworks network with a daily supply capacity of two million cubic meters of gas, the largest of its kind in the country, has been built in the Pudong New Area in Shanghai, east China.

Construction of the gasworks, which is designed to supply gas to industrial enterprises and 100,000 households in the Pudong New Area, started in late 1983 and was originally expected to end in 1992.

After the first stage of the project was completed in 1987, creating a daily supply capacity of one million cubic meters of gas, the second stage of the project was slowed down due to the national economic readjustment drive.

In April last year, the central government decided to speed up the development of the Pudong New Area and construction of the second stage of the gasworks has been accelerated again. So far, all the major buildings have been constructed and all the equipment has been installed.

The second-stage of the gasworks went into operation last Saturday. The network is expected to reach its designed capacity early next month.

### **North Region**

#### **Activities of Beijing's Li Ximing Reported**

##### **Speaks on Party History**

SK2805062891 Beijing BEIJING RIBAO  
in Chinese 19 Apr 91 p 1

[By correspondent Xie Yinming (6200 5593 2494) and reporter Dong Zhixin (5516 1807 2450): "At Municipal Commendation Meeting of Departments for Party History Work, Li Ximing Stresses That Study and Publicity of Party History Provide Materials for Reference for Today's Construction"]

[Text] A meeting for Beijing Municipality's departments in charge of party history work to commend outstanding achievements, advanced collectives and advanced workers was held in Shunyi County on 18 April to mark the 70th anniversary of the founding of the CPC. Li Ximing, secretary of the municipal party committee, attended the meeting to present prizes to the awardees, and to give an important speech.

Under the leadership of the Beijing Municipal party committee, Beijing's workers in charge of party history work have scored great achievements in the collection and compilation of the historical materials of Beijing's party organizations, and in the study and publicity of party history since 1981. Departments in charge of party history work throughout the municipality have collected more than 500 relics concerning Beijing's revolutionary history, more than 8,000 historical documents, and more than 2,000 reminiscences, sorted out more than 6,000 articles on Beijing's party history, written more than 1,000 special reports and theses on Beijing's party history, and published more than 80 books and more than 20 journals on Beijing's party history. Based on this, the departments in charge of the party history work appraised and selected 88 outstanding achievements, 14 advanced collectives, and 91 advanced workers. Another 14 units were also commended at the meeting.

Comrade Li Ximing first extended congratulations to winners of outstanding achievements, and advanced collectives and workers, extended regards to the workers in charge of party history work who had worked diligently and selflessly for many years, and extended gratitude and respect to all the departments and comrades who attached importance to and supported the party history work, especially the veteran comrades and experts who actively participated in the work after retirement.

Comrade Li Ximing expounded the party's historical experiences in many fields, and pointed out: The revolution and construction of China should be led by the CPC. This is a law of historical development independent of man's will, and also a decisive choice made by the hundreds of millions of Chinese people during the protracted struggles.

Li Ximing emphasized: A most basic experience in the CPC's success in leading China's revolution and construction is its integration of the fundamental tenets of Marxism-Leninism with the practice of China's revolution and construction in different historical periods. It is the foundation of our victory, and the way to success. He said: The formation and confirmation of the CPC's leading position have been paid for by our martyrs with their blood and life, and won by the vast number of communist party members who suffered all kinds of hardships, made unyielding efforts, and served the people wholeheartedly.

Comrade Li Ximing pointed out: The study and publicity of the history of Beijing's party organizations have a great significance and should be carried out conscientiously because they will provide not only important, full, and accurate historical data and study achievements to the history of the CPC but also scientific historical materials for reference for Beijing's socialist modernization program; provide not only rich historical teaching materials for understanding how Beijing's party organizations led Beijing's revolution and construction but also specific historical data for deepening the understanding

of the process and the objective necessity of the formation of the CPC's leading position and central role, and for refuting the fallacy of bourgeois liberalization; and also provide a touching historical image of the notable characters and the fine traditions of the proletarian revolutionaries of the older generation which we should learn from and carry forward. He urged pertinent departments and committees of the municipal party committee to strengthen leadership over the party history work, and further promote its study and publicity.

Wang Guang, deputy secretary of the municipal party committee, Zheng Hui, deputy director of the Central Party History Research Center, and Liu Daosheng, president of the Beijing Municipal Society for Party History, attended the meeting.

### Attends Congress Session

SK2805054591 Beijing BEIJING RIBAO  
in Chinese 20 Apr 91 pp 1,2

[Text] Over the past two days, the fourth session of the ninth municipal People's Congress has held successive panel meetings. Deputies who are leading comrades of the municipal party committee, the municipal People's Congress Standing Committee, and the municipal government came to the delegations and groups to which they belonged in the capacity of ordinary deputies to deliberate with other deputies on the "report on the outlines of the Beijing Municipal 10-Year Program for economic and social development and the Eighth Five-Year Plan" and to jointly discuss the major development plans of Beijing.

Li Ximing said: Upholding the leadership of the CPC is the key to success in reform.

Yesterday afternoon, Li Ximing served as a deputy and came early to the meeting site of the No. 3 discussion group in Xicheng District to hold cordial talks with other deputies. At the meeting, he conscientiously listened to speeches by each deputy and chipped in frequently to explain some questions raised by them.

Deputy Zhang Shiying said: Some people have misgivings that the housing reform will create a situation in which all the people have to buy houses and that they will not be able to tolerate this. Li Ximing explained smilingly: Beijing's housing reform is a very complicated matter. In housing reform, the practice of house leasing and purchasing will coexist. People will rent or buy houses on a voluntary basis and we will not make every person buy a house to live in. He also explained some specific issues on housing reform.

Many deputies of the No. 3 discussion group of the Xicheng District represented educational circles. They talked about some issues concerning the current school reform, particularly reform in universities. When they talked about happy events, bursts of laughter were heard in the meeting site. The atmosphere was enthusiastic.



They also offered many very good views and suggestions for solving problems on determining professional titles and on unfair distribution.

In his speech, Li Ximing said: Since reform and opening up, Beijing has witnessed great changes. All fellow deputies present here may recall the situation 10 years ago. At that time, commodities were in short supply in the Beijing market and great difficulties were seen in urban construction. The achievements gained in the 10 years of reform and opening up are tremendous.

Our reforms are successful. We should attribute our success in reforms to our adherence to the four cardinal principles under the leadership of the CPC. During the process of reforms, it is certain that some complications and some new contradictions will emerge. As long as we are soberly-minded and uphold a correct orientation, we will be able to unceasingly solve all sorts of contradictions and problems and to deepen reform and opening up.

After that, in connection with his experiences during visits to India and the Soviet Union, Li Ximing deliberated on why China must follow a socialist road, and why we must uphold the CPC leadership in the course of reform and opening up. Li Ximing and deputies from the No. 3 group of Xicheng District talked harmoniously, ending their talks more than one hour past dinner time.

### Makes Closing Remarks

SK2805071391 Beijing BEIJING RIBAO  
in Chinese 25 Apr 91 pp 1, 2

[By reporter Ding Yatao (0002 0068 7290): "Fourth Session of Ninth Municipal People's Congress Concludes"]

[Text] The eight-day fourth session of the ninth Beijing Municipal People's Congress concluded amid the playing of the national anthem on the afternoon of 24 April after successfully implementing its various items on the agenda.

The session approved the "outlines of the 10-year program and the Eighth Five-Year Plan for the economic and social development of Beijing Municipality," and Mayor Chen Xitong's report on the outlines. The session also approved a resolution on the outlines and the report, which urges the people of various nationalities throughout the municipality to plunge into the great practice of building a modern socialist capital with a still higher spirit and, under the leadership of the CPC Central Committee, the State Council and the Beijing Municipal CPC Committee, work in unison, make all-out efforts, and strive to attain the second-step strategic objectives of the modernization program of the capital and to comprehensively fulfill the various tasks defined in the "outlines."

At 1430, Li Ximing, executive chairman of the session, declared the session open. Other executive chairmen of the session were Zhao Pengfei, Wang Jialiu, Wang Guang, Li Jinmin, Ma Yaoji, Li Guang, Xia Qinlin,

Xing Jun, Tan Yizhi, Tao Dayong, Pu Jiexiu, Chen Mingshao and Rong Yi. A total of 727 deputies attended. The session approved the resolution on the outlines of the 10-year program and the Eighth Five-Year Plan for the economic and social development of Beijing Municipality and the report on the "outlines," the resolution on Beijing Municipality's implementation of its 1990 plan and on its 1991 plan for economic and social development, the resolution on Beijing Municipality's 1990 final accounts and its 1991 budget, the resolution on the work report of the Beijing Municipal People's Congress Standing Committee, and the resolution on the work reports of the Beijing Municipal Higher People's Court and the Beijing Municipal People's Procuratorate. The session made public the results of a by-election. According to the votes of deputies, Hou Weicheng, Ye Dacheng, Yu Xizhong, and Sun Yumin were elected members of the ninth municipal People's Congress Standing Committee.

Li Ximing gave a closing speech. He said: The session has been successful, and has attained its goals thanks to the concerted efforts of all deputies. The session concentrated on discussing and approving the outlines of the 10-year program and the Eighth Five-Year Plan for the economic and social development of Beijing Municipality and the report on the "outlines." This was an encouraging event. The grand prospects and strategic objectives of the socialist modernization program in the capital during the 1990's as displayed in the outlines of the 10-year development will inspire and encourage the people of various nationalities throughout the municipality to promote the economy of the capital, and achieve still greater success in the various undertakings of Beijing.

Li Ximing said: The work of the municipal People's Congress Standing Committee, the municipal higher people's court and the municipal people's procuratorate has been fruitful over the past year. They have carried out a great amount of meticulous work for safeguarding the political, economic and social stability of the capital, for the elections of new district, county, town, and township people's congresses, and for strengthening socialist democracy and the legal system. All deputies have also labored diligently, and made positive contributions.

Li Ximing pointed out: Implementation of the outlines of the 10-year program and the Eighth Five-Year Plan for the economic and social development of Beijing Municipality is the most important and most basic task which the people of various nationalities throughout the municipality should work for in the next decade. To fulfill this basic task, we should persistently use the four cardinal principles as our standard and guide so that we can advance along a correct direction. It will not be easy for us to fulfill this very arduous task, and there will be many difficulties and problems ahead that we should treat and resolve with a concerted effort, a scientific approach, an indomitable spirit, and conscientious and down-to-earth work. We should fully trust and rely on the masses, boost their socialist enthusiasm to the full,



succeed in building the spiritual civilization while building the material civilization, maintain the lasting political and social stability of the capital, intensify efforts to comprehensively improve public security, and deal resolute blows to the hostile forces and criminal activities that undermine the stability of the capital. You, deputies shoulder a heavy responsibility for implementing the outlines of the 10-year program and the Eighth Five-Year Plan for the economic and social development of Beijing Municipality. It is hoped that deputies will further exercise their power to participate in and discuss the administration of state and government affairs, and their power of democratic supervision; represent the masses; reflect the interests and demands of the majority of the people; suggest ways and means for the economic development and the political and social stability of the capital; and make positive efforts to maintain the flesh-and-blood ties of the party and the government with the masses, and to build a clean and honest government.

Li Ximing said in conclusion: The fourth session of the ninth municipal People's Congress is a very important historical session. The resolutions and reports approved at the session indicate that the socialist modernization of the capital has entered a new stage of development. No matter how the international situation changes or what difficulties we will meet on our roads ahead, we should continue to firmly implement the basic line which takes economic construction as the central task, and persists in the four cardinal principles, reform, and opening up; uplift our spirit, work hard, brave the way forward and, with a high morale, strive to turn the second-step strategic objectives of the economic and social development of the capital into reality step by step. Under the correct leadership of the party Central Committee with Comrade Jiang Zemin at the core, let us win a new victory!

#### Commends Advanced Workers

SK2805095291 Beijing BEIJING RIBAO  
in Chinese 29 Apr 91 p 1

[Excerpts] On 28 April, 242 staff members and workers and 46 advanced collectives won the 1991 capital labor medals and the 1991 capital labor certificates issued by the municipal trade union council. Li Ximing, Bai Jiefu, Yu Hongen, Yuan Liben, Chen Guangwen, Zhang Baifa, Xing Jun, and Tie Ying presented medals and certificates to representatives of medal winners.

Comrade Li Ximing first extended greetings to the medal-winning individuals and units at the meeting. He said: Implementing China's 10-year development outlines and realizing Beijing Municipality's second-step economic and social development strategic goal is a glorious and arduous task that should be fulfilled by all people of the municipality with one heart and one mind. The working class is the main force of socialist modernization as well as a powerful and concentrative power to promote social progress. Firmly relying on the working

class and giving full scope to their intelligence, enthusiasm, and creativeness is an important guarantee for smoothly implementing the 10-year program and the Eighth Five-Year Plan. The municipal party committee and the municipal government hope that the working class of the capital and the vast number of staff members and workers will firmly persist in the socialist advance orientation, carry forward the glorious traditions of the working class, have a high-degree sense of responsibility for the history and a sense of urgency for the times, be inspired with enthusiasm, keep forging ahead, work arduously, strive to better fulfill the 1991 production tasks, and create greater achievements. [passage omitted]

Shang Baokun, president of the municipal trade union council, urged that the vast number of staff members and workers across the municipality should conscientiously study the 10-year program and the Eighth Five-Year Plan, firmly foster the belief in socialism with Chinese characteristics, have a sense of responsibility for being the master of the country, further start an upsurge of emulating and catching up with the advanced, and make new contributions to the economic development of the capital.

#### Marks 4 May Anniversary

SK2805102391 Beijing BEIJING RIBAO  
in Chinese 4 May 91 p 1

[Excerpts] "The 'May 4th' torch aroused the nation, and the magnificent cause impelled us forward." On the afternoon of 3 May, the Great Hall of the People resounded with singing, applause, and strains of music accompanied by drumbeats. Some 7,000 young people of various circles in the capital gathered together to ceremoniously mark the 72th anniversary of the "May 4th" Movement.

Present at the gathering were leading comrades of the municipal party committee, the municipal Advisory Commission, the municipal People's Congress Standing Committee, the municipal government, and the municipal committee of Chinese People's Political Consultative Conference, including Li Ximing, Wang Guang, Chen Guangwen, Li Guang, Lu Yucheng, Feng Mingwei, Ouyang Wenan, and Tie Ying. [passage omitted]

Li Ximing, secretary of the municipal party committee, made an important speech at the gathering. He also cordially extended festive greetings to the young friends on various fronts and of various professions and trades. He said: The "May 4th" movement initiated by the young people in Beijing 72 years ago raised the curtain on the New-Democratic Revolution of China and pioneered an accurate orientation for our country's youth movement. The "May 4th" Movement and the spirit that took shape during the movement are the precious wealth of our country's youth movement. Closely proceeding from the actual conditions of socialist modernization in the socialist historical age and penetrating the "May 4th" spirit and the "May 4th" traditions into the process of building socialist spiritual and material civilizations is an important task of the young people of the present age. The outlines of the national and Beijing

Municipal 10-year programs and Eighth Five-Year Plans are the grand objectives, guiding principles, and blueprints to guide us to continuously create the great socialist undertakings. Today, we mark the "May 4th" Movement and carry forward the "May 4th" spirit with a view to making the vast number of young people have a belief that socialism shall succeed, and follow the party to make contributions in the great practice of realizing the 10-year program and the Eighth Five-Year Plan.

Li Ximing said: To make contributions and become skilled persons, we should first arm ourselves with an accurate scientific thinking. Realizing the 10-year program and the Eighth Five-Year Plan is a great process of promoting the construction of socialism with Chinese characteristics. In this process, we should take the economic construction as a key link, adhere to the four cardinal principles, persistently conduct reforms and open the country to the outside world, and withstand pressure and difficulties and indomitably advance in the process of the hostile forces at home and abroad implementing the "peaceful evolution" strategy. To this end, the vast number of young people should have a firm political orientation, foster the socialist and communist lofty ideals and a thinking of serving the people wholeheartedly, and grasp the scientific world outlook and methodology.

Li Ximing said: The broad masses of young people should firmly follow the path of linking themselves with workers and peasants and with practice in order to make contributions and to become skilled persons. Workers and peasants are teachers of the young people, so does practice. The main trend of the young people of the present age is good. They are full of promises and bright prospects. But, young people have little practical experience, have seen little of the world, and do not have an overall understanding of things due to some historical and practical reasons. Some even have prejudice against things. All this is understandable. The young people's weaknesses and shortcomings can be overcome in the course of linking themselves with the broad masses of workers and peasants. Young comrades should understand that the implementation of the 10-year program and the Eighth Five-Year Plan has provided them with a broad stage of tempering themselves in the course of practice as well as has opened a new practical classroom to cultivate and develop successors to socialist undertakings. Thus, the broad masses of young people should emulate workers and peasants on this stage and at this classroom, and strengthen their talents and accumulate experiences in the course of practice.

Li Ximing urged that the Communist Youth League organizations at various levels should better display their roles as a vanguard and a university; realistically strengthen their construction; further upgrade their attractive power, cohesive power, and combat effectiveness; and really build themselves into a university to unite with and guide the young people to become successors to socialist undertakings in the course of practice. Party organizations and governments at various levels and personages of all social circles should further show concern for the sound growth of the

young generation, and strive to create conditions for having the young people display their functions in the course of implementing the 10-year program and the Eighth Five-Year Plan.

### Writes Inscription

OW2505210291 Beijing XINHUA Domestic Service  
in Chinese 1212 GMT 25 May 91

[Text] Beijing, 25 May (XINHUA)—The new building of Beijing Municipality's Dongcheng District Youth Palace was completed today.

The director of the youth palace, Deng Ming, said that this building, which is the largest district-level youth palace in Beijing Municipality, was built with the support of the people of Dongcheng District. According to briefings, during the more than eight years of construction, donations poured in from all walks of life in society. They included big companies as well as neighborhood factories, retired cadres as well as the self-employed, and of which a great number were children.

The new building not only has the usual entertainment and teaching facilities found in youth palaces, but also an astronomical demonstration hall second only to that of the Beijing Planetarium; the tallest astronomical observation tower in Beijing Municipality; and the second cylindrical slide in China.

The youth palace was designed by the China Aviation Industry Planning and Design Institute.

Kang Keqing wrote the name of the youth palace. Li Ximing, Yang Dezhi, Zhang Aiping, Lu Dingyi, Peng Chong, Chen Muhua, Lei Jieqiong, and Wang Renzhong wrote inscriptions for the completion of the new youth palace building. Lei Jieqiong, Yan Jici, and Cheng Siyuan attended today's inauguration ceremony.

### Beijing Court Aids Economic Development

OW2405121391 Beijing XINHUA in English  
0122 GMT 24 May 91

[Text] Beijing, May 24 (XINHUA)—The Beijing Intermediate Court has handled 2,600 economic cases during the past five years, involving 30 mainland provinces and regions as well as Hong Kong, Macao, Taiwan and 15 foreign countries.

Ji Shuhan, the chief judge of Beijing Intermediate Court, said that of the disputed 830 million yuan handled by the court during the period, 370 million was related to large and medium-sized enterprises.

"The court protects enterprises' legal rights and benefits," he said.

For example, he said, the court once helped the Capital Iron and Steel Corporation of Beijing reclaim over two million yuan in debts defaulted by enterprises in several provinces and cities, ensuring the corporation's capital turnover.

"We not only enforce the enterprise law but also help perfect Beijing's enterprise contract responsibility system by providing the enterprises with a good legal environment," Ji said. "We'll further publicize the law and greatly promote Beijing's economic development."

### Hebei's Xing Chongzhi Meets Top Quality Teacher

SK2805091891 Shijiazhuang HEBEI RIBAO  
in Chinese 22 Apr 91 p 1

[By reporter Sun Fucha (1327 4395 2686) and Li Shujia (2621 1859 0163): "Xing Chongzhi Meets With Committee Member Qiu Zhinai"]

[Excerpts] "You have made outstanding achievements in your teaching research over the past years, which has much influence throughout the country. You have brought credit to Hebei," said Xing Chongzhi, secretary of the provincial party committee, at his home on the evening of 19 April during a meeting with Qiu Zhinai, member of the provincial committee of the Chinese People's Political Consultative Conference and a high-grade teacher of the Xiaosigou middle school in Pingquan County.

After applying himself to scientific study with great concentration for 30 years, he tried out the "three-dimensional teaching system," which gives simultaneous attention to the psychology and physiological characteristics of modern people, and is based on training people of a new type who can participate in international competition. [passage omitted]

In November 1991, his academic report won first prize for outstanding thesis at the first national educational theoretical seminar. He also gave lectures in Xian, Guilin, Liaoyang, and Luoyang and was highly praised. During recent years, he won 17 achievement awards at and above the provincial level.

After listening to Qiu Zhinai's introduction, Xing Chongzhi praised him and said: "Your system is very good. This is an in-depth issue for achieving modernization in teaching."

### Views Party Appointments

SK2605062991 Shijiazhuang HEBEI RIBAO  
in Chinese 26 Apr 91 p 1

[Report by Zhao Shulan (6392 3219 5695) and Zhang Xijie (1728 6932 2638): "Provincial Party Committee Invites People of Various Social Circles To Consult on Personnel Appointments of Provincial People's Congress Standing Committee and Provincial People's Government."]

[Text] On the morning of 25 April, the Hebei Provincial CPC Committee invited the responsible persons of various democratic parties and mass organizations as well as nonparty personages to consult with them on the candidates for the supplementary vice chairmen and members of the seventh provincial People's Congress Standing Committee and for the supplementary governor and vice governors of the province.

During the consultation, entrusted by the provincial party committee, Xing Chongzhi, Lu Chuanzan, Li Bingliang, and Chen Yujie gave a briefing on the recommendation and the reasons for selecting these candidates to the participating personages. The participating responsible persons of various democratic parties and mass organizations as well as the nonparty personages made a clean breast of their opinions, enthusiastically delivered speeches, and put forward their favorable opinions. The consultative meeting was filled with the democratic atmosphere of treating each other with all sincerity and sharing weal and woe. Through the full consultation, the participants unanimously agreed with the candidates put forward by the Hebei Provincial CPC Committee and the namelist will be submitted to the fourth session of the seventh provincial People's Congress for deliberations.

Attending the consultative meeting were Guo Zhi, chairman of the provincial People's Congress Standing Committee, and Li Wenshan, chairman of the provincial Chinese People's Political Consultative Conference Committee.

### Attends Joint Venture Opening

SK2505035091 Shijiazhuang Hebei People's Radio  
Network in Mandarin 2200 GMT 5 May 91

[Excerpts] The Hebei pharmaceutical integrated complex formally went into operation on 5 May.

This joint venture has a total investment of 33 million yuan, jointly provided by the (Zhongxing) Industrial Corporation of Shijiazhuang City and the (Xinli) Medicine Import and Export Company of Hong Kong. The complex has an annual production capacity of 1.5 million tons of ampicillin [words indistinct] powder for injection use. This is China's largest plant for production of raw materials to make ampicillin. Its technology and equipment were respectively imported from Italy, Germany, Sweden, the United States, and France. Its production conditions have attained the international advanced level of the 1980's. [passage omitted]

(Xiong Rongli), general manager of the (Xinli) Medicine Import and Export Company of Hong Kong, set a high value on the successful cooperation. He also expressed that his company would continuously make investment and conduct cooperation in the construction of the second-phase project.

Song Shuhua, vice governor of the province, deeply praised Mr. (Xiong) for his farsightedness.

He said: Hebei Province has worked out a series of preferential policies and regulations on and some specific measures for supporting the development of joint ventures involving foreign capital. With a fine investment environment, Hebei is an ideal place for investment. We sincerely welcome foreign friends and the compatriots from Hong Kong, Macao, and Taiwan to run plants and enterprises in Hebei.



Present at the ceremony to mark the operation of the complex were Xu Zhijian, deputy secretary general of the State Council; Qi Moujia, director of the State Pharmaceutical Administration; Xing Chongzhi, Li Wenshan, Song Shuhua, Li Haifeng, Wang Baohua, and Shen Zhifeng, leaders of the province and Shijiazhuang City; and friends from Japan, Germany, and Hong Kong.

### Northwest Region

#### Gansu Hosts Tibetan Officials, Marks Anniversary

HK2805034091 Lanzhou Gansu People's Radio  
Network in Mandarin 2300 GMT 23 May 91

[Text] Entrusted by the Tibet autonomous regional leadership group for marking the 40th anniversary of the peaceful liberation of Tibet and on behalf of the autonomous regional party committee and regional people's government, the office of Tibet Autonomous Regional People's Government in Lanzhou ceremoniously held a forum in the small hall of Lanzhou (Ningwozhuang) Guesthouse yesterday [23 May] afternoon to mark the 40th anniversary of the peaceful liberation of Tibet. The leading comrades of the party, government, and army who attended the forum on invitation were Lu Kejian, (Li Huning), Yang Fuxing, Mu Yongji, Huang Zhengqing, (Sheng Qixiang), and (Zhao Lirong). Veteran Comrade (Mu Shengzhong) who had worked in Tibet and responsible comrades Lanzhou City, Gannan Tibetan Autonomous Region, Tianzhu Tibetan Autonomous County, armed police corps, Lanzhou Railroad Bureau, and the departments and units concerned under the provincial government also attended the forum.

Amid the cheerful atmosphere, (Guren Qiongzai), secretary of the office party committee of Tibet Autonomous Regional People's Government in Lanzhou, spoke first. He looked back on the great changes occurring since the peaceful liberation of Tibet and the great achievements scored. He pointed out that such achievements had been scored by the people of all nationalities in Tibet under CPC leadership by persistently taking the socialist road and were the results of correctly implementing the party's nationality policies and establishing new socialist nationality relations on the basis of equality, unity, and mutual assistance, as well as the glorious results of the vigorous support of the fraternal provinces, municipalities, and regions, People's Liberation Army [PLA], and armed police units under the cordial concern of the CPC Central Committee and State Council. He extended heartfelt thanks to Gansu Province and PLA units stationed in Gansu for their vigorous support for Tibet for many years.

At the forum, the congratulatory message from Gansu Provincial Party Committee and Provincial Government to the Tibet Autonomous Regional Party Committee and Regional People's Government was read.

Provincial party committee Deputy Secretary Lu Kejian, Vice Governor (Wei Wuji), and political department

Deputy Director (Jiang Junqiang) of Lanzhou Military Region delivered ebullient speeches at the forum on behalf of the provincial party committee, provincial government, Lanzhou Military Region. They extended warm greetings to the people of all nationalities of Tibet and cordial regards to the Gansu cadres and workers of all nationalities who live and work in Tibet and sent their respects to Tibet cadres of all nationalities who are working and studying in Gansu. They also wholeheartedly wished Tibet and Tibetan nationality regions prosperity and the people of the Tibetan nationality happiness!

Huang Zhengqing, vice chairman of the provincial Chinese People's Political Consultative Conference [CPPCC] committee; Ke Maosheng, mayor of Lanzhou City; (Mu Shengzhong), retired veteran cadre, also spoke at the forum.

Jamyang Losang Jigme Tubdain Qoigyi Nyima, vice chairman of the provincial people's congress standing committee; and Gungtamchang, vice chairman of the provincial CPPCC committee were unable to attend the forum because of other business but phoned their greetings to the forum.

Finally, a film, "The Roof of the World Remain Evergreen," was shown.

#### Shaanxi Secretary Attends Tibet Liberation Ceremony

HK2505071291 Xian Shaanxi People's Radio  
Network in Mandarin 2330 GMT 23 May 91

[Text] Yesterday morning, the Tibet People's Government office in Xian held a grand reception to mark the 40th anniversary of peaceful liberation of Tibet.

Provincial and city party and government leaders Zhang Boxing, An Qiyuan, Sun Daren, Mao Shengxian, and others attended at the invitation of the office.

At the request of the Tibet Autonomous Regional CPC Committee and Government, (Wang Jinxi), former vice chairman of the Tibet Autonomous Regional People's Congress Standing Committee, made a speech at the reception.

He said: On 23 May 1951, the peaceful liberation of Tibet [words indistinct]. Since then the Tibetan people have embarked on a bright path of solidarity, progress, and unification. [words indistinct] The local modern industry has grown out of nothing. Communications, transportation, and postal and telecommunications services have rapidly developed. Business in urban and rural areas, foreign trade, and tourism have begun to thrive. Progress has been made in education, science, technology, culture, and public health. The ranks of ethnical cadres are growing stronger and stronger. [passage indistinct]

**SHAANXI RIBAO on Socialism, Class Struggle**

HK2405130591 Xian SHAANXI RIBAO  
in Chinese 21 Apr 91 p 3

[Article by Yang Guan (2254 7070): "Understanding Characteristics of Social Phenomena Which Bear Nature of Class Struggle"]

[Text] A CPC Central Committee study document on several questions concerning socialism pointed out: "In a socialist country, after the exploiters have been eliminated as classes, class struggle will continue to exist as a social phenomenon within certain limits for a long time to come and sometimes may even grow very acute and intense." In other words, in our country's present stage, class struggle exists as a social phenomenon. Of the numerous social phenomena, which then has the nature of class struggle and what are its characteristics? This is both a theoretical issue and a major practical issue. Giving a scientific definition to "social phenomenon" has become a prerequisite for us to correctly understand the question of class struggle in the present stage. It is of extremely great and immediate significance for us in correctly handling the question of class struggle and in preventing class struggle from magnifying while opposing bourgeois liberalization.

As a concept of universal significance, social phenomena exist within certain limits, have various relations, and are a certain necessity rather than isolated and accidental. They characterized by different aspects. The Central Committee's document pointed out: "Social phenomena" with a class struggle nature "are manifested in a concentrated way in the antagonism and struggle between bourgeois liberalization and the four cardinal principles." They are one characteristic of class struggle in the socialist stage. However, this kind of antagonism and struggle can be found in such areas as action, ideology, and understanding. Can the antagonism and struggle in those areas all be regarded as class struggle? Obviously, it is insufficient to determine the nature of a thing exclusively from its characteristics. A thing has its own inherent special nature which constitutes the basic characteristics of its nature. The nature of a thing is the comprehensive embodiment of its basic characteristics. In the stage of socialism, what are the characteristics of social phenomena which bear the nature of class struggle? As I see it, they can be roughly summarized in the following ways:

First, in terms of form, social phenomena with a class struggle nature exist mainly in the ideological sphere. The Central Committee's document pointed out: "As an ideological trend in the ideological sphere" bourgeois liberalization "spreads ideas of negating the Communist Party leadership and the socialist system and advocating the capitalist system. Hostile forces in the West always infiltrate into the ideological sphere to confuse and poison people's minds." It can thus be seen that the antagonism and struggle in the ideological sphere contain certain elements of class struggle but do not have the

attributes of class struggle in its full sense. If we regard all disputes in the ideological sphere as class struggle, it will most likely lead us to "determining class status according to one's ideas" and "determining class status on an ideological basis," thus repeating the old tragedy of magnifying class struggle. If we take a laissez-faire attitude toward them and let them further transform, we would probably lead to the erroneous theory of the dying out of class struggle. In the contemporary era, social phenomena with a class struggle nature more often than not take the ideological sphere as their carrier of existence. This is one of their characteristics.

Second, in terms of substance, social phenomena with a class struggle nature have their own clear objectives. Being different from understanding and ideological differences, they have clear programs, lines, and objectives. By making use of the surviving concept of "imperial power being supreme" in people's minds, taking advantage of people's dissatisfaction over some phenomena in society and of the situation of reform, opening up to the outside world, and conceptual renewal, and assuming the posture of presenting petitions for the people and of "being scientific," they infiltrate the programs and lines into their activities. Their purpose in so doing is that "the center of struggle remains over the issue of political power, that is, overthrowing the state regime under the people's democratic dictatorship or changing the regime's nature." This abundantly clear objective is precisely one of the important characteristics of social phenomena with a class struggle nature.

Third, in terms of scope, the transformation of social phenomena bearing the elements of class struggle into class struggle takes place in the political sphere. In the "Communist Party Manifesto" Marx and Engels pointed out: "Every class struggle is a political struggle." As Lenin explained: "'Every class struggle is a political struggle'—these famous words of Marx are not to be understood to mean that any struggles of workers against employers must always be a political struggle. They must be understood to mean that the struggle of the workers against the capitalists inevitably becomes a political struggle insofar as it becomes a class struggle. ("Collected Works of Lenin," Volume IV, pp 191-192) It can thus be seen that the transformation of social phenomena bearing the elements of class struggle into class struggle takes place only in the political sphere.

In other words, when the antagonism between hostile forces develops into a political struggle, then it has the nature of class struggle. Although sometimes contradictions and struggles in the ideological, economic, and education spheres have a certain political nature, this does not mean that they are political struggles. Confining class struggle to the political sphere is an important criterion for categorizing various social phenomena and also an important characteristic of social phenomena with a class struggle nature.

Fourth, in terms of level, social phenomena with a class struggle nature are related to international class struggles. Social phenomena exist at different levels and have their own nature specifications. In terms of sphere, social phenomena can be divided into the following levels: Political, economic, cultural, and psychological phenomena. They have their own nature specifications. Thus, one can see that in the stage of socialism, social phenomena with a class struggle nature can only exist at certain specified levels. That is to say, class struggles at home are, more often than not, closely related to global struggles and are integrated with the struggle between peaceful evolution and anti-peaceful evolution." [no opening quotation mark as published] They are the inevitable expression of international struggles in a socialist country. This is precisely one of the bases on which we advanced the argument that class struggle exists within certain limits. Similarly, it is an important characteristic of the class struggle phenomenon.

With a general review of the historical process of China's socialist construction, we can see that one important reason we have always experienced twists and turns in the issue of class struggle is that we failed to scientifically define the "social phenomena with a class struggle nature." This being the case, if we persist in proceeding from the entire expression of characteristics, making a comprehensive analysis, and having an overall grasp of the social phenomena with a class struggle nature, we will be able to prevent blindness in practical work and acquire a scientific understanding of the question of class struggle. This is one of the prerequisites with which we can always prevent magnifying class struggle and effectively oppose bourgeois liberalization.

#### **Xinjiang's Tomur Dawamat Addresses Regional Talks**

*OW2805113291 Urumqi Xinjiang Television Network  
in Mandarin 1555 GMT 25 May 91*

[From the "Xinjiang News" program]

[Text] The Autonomous Region People's Government this morning held a meeting of prefectural heads, city mayors, and commissioners to implement all resolutions adopted by the Fourth Session of the Seventh Autonomous Regional People's Congress. In his speech, Tomur Dawamat pointed out: The Fourth Session of the Seventh Autonomous Region People's Congress discussed and approved the Outline of the 10-Year Program and the Eighth Five-Year Plan for the Economic and Social Development of Xinjiang Autonomous Region, and the report on the Outline, and thus fulfilled an important, historical task. The session proposed a goal to be reached in the forthcoming decade and during the Eighth Five-Year Plan, guiding principles, and major measures. Both the Outline and the report were approved at the session of the People's Congress and are now legally effective documents. People's governments at all levels, as organizations to enforce these documents, must take a solemn attitude toward them, seriously implement all

resolutions approved by the People's Congress, concentrate their efforts on the task with a realistic approach, opening up and blazing new trails.

Touching on this year's task, Tomur Dawamat said: We must strive to reap a bumper harvest in both agriculture and animal husbandry for the 14th year. Currently, the most outstanding problem affecting our region's agricultural production and livestock breeding is that our region is afflicted with a severe drought. Governments at all levels must further strengthen leadership over fighting the drought and preventing and combating natural disasters and seriously study a plan to do so. Tomur Dawamat pointed out: It is necessary to firmly grasp the Quality, Varieties, and Benefit Year activities. We must increase enterprises' economic results by deepening reform, strengthening their internal administration and management, and improving their external environment. We must exert every effort to develop the county-level economy, which is an important component of Xinjiang's economy. The fundamental way to improve Xinjiang's county-level financial situation lies in developing the economy, raising economic results, and maintaining stable financial sources.

Tomur Dawamat said: We must vigorously develop village and town enterprises, open wider to the outside world, use the surplus from the development of petroleum to bring along the development of local industries, firmly grasp socialist spiritual civilization, and improve the ideology and workstyle of cadres at all levels. Governments in all localities and the functionaries must further foster the idea that the people's government serves the people, deepen the consciousness of being public servants, go deep to the grassroots level and into realities, do more for the people, and be the masses' close friends.

Jin Yunhui, vice chairman of the autonomous region, and Wang Lequan, Keyum Bawudun, and (Wang Youshan), newly-elected vice chairmen of the autonomous region, also spoke at the meeting. Leaders of the autonomous region's units concerned, departments, and bureaus were present.

#### **XINJIANG RIBAO Announces Election of Deputies**

*OW2705230391 Urumqi XINJIANG RIBAO  
in Chinese 10 May 91 p 3*

[Announcement No. 7-18 of the Standing Committee of the Xinjiang Uygur Autonomous Regional People's Congress issued on 9 May 1991]

[Text] There should be 550 deputies to the Seventh Regional People's Congress; the actual number of deputies was 544 at the 17th Standing Committee Meeting of the Regional People's Congress on 29 October 1990. As such, six vacancies needed to be filled through elections or by-elections.

Since the 17th Standing Committee Meeting of the Seventh Regional People's Congress, five deputies had died. They are Maihesude Tieyibofu [6314 0678 5685



1795 6993 5902 3134 1133] (Uygur) from Urumqi City; Bai Chengming [4101 2052 6900], Yexian Rehemaithan [5102 0341 3583 0678 6314 2251 3063] (Kazakh), and Niewenjie [5119 2429 2638] (Hui Nationality) from Ili Kazak Autonomous Prefecture; and Hasimujiang Yiming [0761 2448 2606 3068 0181 2494] (Uygur) from Kizilsu Kirgiz Autonomous Prefecture. In addition, one deputy, Li Guishan [2621 6311 1472] from Ili Kazak Autonomous Prefecture, had resigned and another deputy from the same prefecture, Pan Zhanlin [3382 0594 2651], had been transferred out of the region.

So far 10 deputies had been elected to fill the vacancies: Mahemuti Yusufu [7456 0678 2606 2251 3768 4790 3940] (Uygur) from Urumqi City; Basiti Apizi [1572 2448 2251 7093 4122 1320] (Uygur), Liu Luzhong [0491 1462 0022], Zhu Jiangu [2612 1696 6253], Wei Jinhuan [7614 2516 3874], Tohudaerhan Ahemaitijiang [2094 0039 6671 1422 3063 7093 0678 6314 2251 3068] (Kazakh), and Baji [1572 4822] (Hui Nationality) from Ili Kazak Autonomous Prefecture; Wang Cunren [3769 1317 0088] from Bayingolin Mongol Autonomous Prefecture; Tohuti Aili [2094 0039 2251] (Uygur) from Kashi City; and Wang Libo [3769 4539 2672] from Hotan City. The Standing Committee of the Seventh Regional People's Congress approved the credentials committee's report on the 10 newly elected deputies to the Seventh Regional People's Congress mentioned above and confirmed their credentials. The Standing Committee hereby makes this announcement.

Presently, there are 547 deputies to the Seventh Regional People's Congress and three vacancies, which are to be filled through by-elections held by the electoral units concerned.

### Xinjiang People's Congress Ends Session

OW2605212291 Urumqi Xinjiang Television Network in Mandarin 1555 GMT 24 May 91

[From the "Xinjiang News" program]

[Text] After completing its agenda, the Fourth Session of the Seventh Xinjiang Autonomous Regional People's Congress successfully ended in Urumqi yesterday afternoon.

The executive chairmen of the meeting were Amudun Niyaz, Li Jiayu, Sawdanov Zayir, Mahinur Kasim, Chen Xifu, Saersibik Istik, Zhang Shaopeng, Kurban Ali, Abdurehim Litip, Xu Peng, Turbayim and (Yasim Nasir). Amudun Niyaz chaired the meeting.

Leading comrades of the autonomous regional party committee, government, military district, CPPCC [Chinese People's Political Consultative Conference] committee, and production and construction corps, Song Hanliang, Tomur Dawamat, Janabil, Li Shousan, Zhang Fusen, Keyum Bawudun, Guo Gang, Wang Lequan,

(Zhou Shengtao), Zhou Guofu, (Hailiqiemu Silamu), Zhang Sixue, Shi Geng, Abulayoufu, Hederbai, Yusufu Muhanmode, Mao Dehua, (Wang Yousan), Ba Dai, Fu Wen, Feng Dazhen, Kanbarhan Amat, Han Youwen, Tayier Maimaitili, Zhao Ganqing, Yibulayin Rouzi, Deyal Khulmash, Ga Wenxiang, Memetniyaz Hara, Aronghanahi and Liu Shuangquan attended the meeting and sat at the rostrum.

Also seated at the rostrum were Xiao Quanfu, Qi Guo, (Zhang Shigong), Tuerjin Atawula, Ismail Yashengnuofu, Qi Chengde, (Liu Zimo), Yang Yiqing, Ren Gebai, (Li Jingxuan), (Musayefu), (Aniwar Hanbaba), (Mamutofu Kurban) and (Mijiqi Kurban).

The meeting adopted the outline of the autonomous regional Ten-Year Program and Eighth Five-Plan for Social and Economic Development, and the resolution on the report of the outline; the report on the execution of Xinjiang's 1990 economic and social development plan, and the resolution on the 1991 economic and social development plan; the report on the implementation of Xinjiang's 1990 budget and the resolution on the 1991 budget; the resolution on the work report of the Standing Committee of the autonomous regional people's congress; the resolution on the work reports of the autonomous regional higher people's court and people's procuratorate; and the rules of procedure of the autonomous regional people's congress.

The meeting called on soldiers, people and corps workers of all races in Xinjiang to actively commit themselves, with a sense of historic responsibility and urgency, to the great experience of construction and reform, and, under the leadership of the party Central Committee with Comrade Jiang Zemin as the nucleus, to take heart and work hard with one heart and mind to accomplish the grand objectives in the Ten-Year Program and the Eighth Five-Year Plan for Economic and Social Development in Xinjiang.

### 'Namelist' of Xinjiang's Congress Chairmen

OW2805081791 Urumqi XINJIANG RIBAO in Chinese 14 May 91 p 1

["Namelist of Executive Chairmen for the Fourth Session of the Seventh Xinjiang Regional People's Congress Adopted at the First Presidium Meeting on 13 May 1991"—XINJIANG RIBAO headline]

[Text] Amudun Niyaz (Uygur), Li Jiayu (Han), Sawdanov Zayir (Uygur), Mahinur Kasim, female (Uygur), Chen Xifu (Han), Saersibik Istik (Kirgiz), Zhang Shaopeng (Han), Ma Mingliang (Hui), Kurban Ali (Kazak), Abdurehim Litip (Uygur), Xu Peng (Han), Turbayim (Mongolian), and Yasheng Nasier [3660 3932 6719 2448 1422] (Uygur).

## Premier Hao Po-Tsun on End of Communist Rebellion

### Criticizes Religious Restrictions

OW2405203291 Taipei CNA in English 1433 GMT  
24 May 91

[Text] Taipei, May 24 (CNA)—Premier Hao Po-tsun Thursday criticized Communist Chinese authorities for banning Taiwan Buddhist monks from visiting the Chinese mainland and for restricting the circulation of religious books and tapes.

If Communist China is restricting freedom of worship, so will it limit freedom of press, Hao said after hearing Vice Premier Shih Chi-yang's report on the latest situation.

The premier pointed out that Peking has not made any goodwill response to the Republic of China government's peace overtures since President Li Teng-hui declared an end to the period of Communist rebellion on April 30.

Recent remarks by Chinese Communist Party General Secretary Jiang Zemin and Chinese Communist Vice Premier Wu Xueqian indicate that the Communist regime is maintaining a "high profile" toward the Republic of China on Taiwan, Hao said.

Hao was referring to the two Peking leaders' remarks that Taiwan is an integral part of China, and therefore has no need to develop its own foreign relations.

He urged people here not to harbor any "illusions" about the Chinese Communist regime.

### Orders Amendment of Outdated Laws

OW2405222291 Taipei CNA in English 1429 GMT  
24 May 91

[Text] Taipei, May 24 (CNA)—The Republic of China Government will repeal or amend all out-dated laws and regulations in response to the changing situation following the termination of the period of communist rebellion, Premier Hao Po-tsun said Thursday.

At a weekly cabinet meeting Thursday morning, Hao also ordered the formation of an ad hoc panel to work for the repeal or revision of the out-dated statutes or rules.

Promoting the rule of law is a top government priority, Hao said. Some existing laws may no longer be needed or feasible in the post-communist rebellion era, so the government should update the country's legal system to keep pace with the rhythms of the times.

The cabinet panel will make a comprehensive review of existing laws and regulations and formulate proposals on how to treat those that are out-dated within six months.

The panel, to be headed by State Minister Chang Chien-han, will be composed of the political vice ministers of all ministries. Vice Premier Shih Chi-yang and Secretary-General Wang Chao-ming of the Executive Yuan will provide advice.

Hao also asked all government agencies to review their individual administrative regulations and submit proposals for revision to the new ad hoc panel.

## Hao Po-tsun Meets South Korean Navy Official

OW2405103391 Taipei CNA in English 0829 GMT  
24 May 91

[Text] Taipei, May 24 (CNA)— North Korean and Chinese communists are still insisting on their ideology in the face of communism's general decline elsewhere, but they will not be able to resist the currents of change much longer, Premier Hao Po-tsun said.

Meeting Korean Navy Chief of Staff Kim Chung-ho yesterday, Hao pointed to a joint statement of the Chinese and Soviet Communist Parties during Chinese party chief Jiang Zemin's recent visit to Moscow.

It is noteworthy that the statement acknowledged "the necessity of reforming socialism," an indication that the world's two largest communist parties are aware of world trends.

Kim said that he agreed with Hao's observation, and added that neither the Korean nor Chinese Communists will be able to oppose global currents for long.

"Within ten years, they must change," Kim predicted. He is on a four-day visit to Taipei.

## Soviet Olympic Committee President Visits Taipei

### Arrives 24 May, To Meet Premier

OW2405120091 Taipei CNA in English 0826 GMT  
24 May 91

[Text] Taipei, May 24 (CNA)—The president of the USSR Olympic Committee Vitaly Smirnov arrived in Taipei Thursday for a four-day visit at the invitation of Chang Feng-hsu, president of the Chinese Taipei Olympic Committee (CTOC).

Smirnov was met at Chiang Kai-shek International Airport by Chang, CTOC Secretary General Lee Ching-hua and honorary member of the International Olympic Committee Henry Hsu.

Chang said he hoped the visit of Smirnov, also an IOC member, will help promote sports exchanges between the Republic of China [ROC] and the Soviet Union.

Smirnov travelled south today to visit the ROC's athletic training center in Tsoying, Kaohsiung.

The top Soviet sporting official will call on Premier Hao Po-tsun and Education Minister Mao Kao-wen during his stay here.

**Sports Exchange Expected**

*OW2505092091 Taipei CNA in English 0757 GMT  
25 May 91*

[Text] Taipei, May 25 (CNA)—The Republic of China [ROC] and the Soviet Union will sign a sports exchange agreement soon, the leaders of Olympic committees in both countries said.

The President of the USSR Olympic Committee Vitaliy Smirnov and Chang Feng-hsu, the president of the Chinese Taipei Olympic Committee (CTOC) made the remarks yesterday while visiting an athletic training center in southern Taiwan.

Smirnov said his committee is an independent body and politics will not affect its cooperation with the CTOC.

Chang said the Soviet committee has invited him to visit the Soviet Union, and a sports agreement is expected to be signed during the trip. Date for the visit will be decided later.

Chang said that the Soviets have the top coaches and athletics in the world, and he initially planned to invite them here for demonstration matches.

CTOC has signed sports exchange agreements with the United States, Germany, and Hungary in the past few years, and they have been very useful in upgrading the nation's sports standards, Chang said.

Smirnov chatted with Hungarian weightlifting coach Andre Hosszu about his life at the training center.

Hosszu arrived here in November at the invitation of the Republic of China sports federation to train weightlifters for the Asian games and Olympic games.

**Dependence on U.S. Market Diminishing**

*OW2405124791 Taipei CNA in English 0843 GMT  
24 May 91*

[Text] Taipei, May 24 (CNA)—The Republic of China [ROC] is now the United States' fifth biggest import source and its ninth export market, the Board of Foreign Trade (BOFT) said.

Taiwan's dependence on U.S. markets continued to decline in the first four months of this year, with America taking 25.4 percent of ROC exports, down from the 28.9 percent recorded a year before. The United States has for years been the ROC's leading export market, absorbing nearly half of its overseas sales during the heyday.

According to statistics released by the U.S. Commerce Department, Taiwan shipped 5.09 billion U.S. dollars worth of goods to the United States between January and March, a decrease of 6.4 percent from the same period of 1990, while imports from that country remained at 3.07 billion U.S. dollars.

BOFT officials said the ROC now trails behind Japan and mainland China in terms of its trade surplus with the United States. Taiwan registered a surplus of 9.1 billion U.S. dollars with the United States in 1990, lower than mainland China's 10.2 billion U.S. dollars.

**EC Extends Textile Trade Agreement 17 Months**

*OW2505213191 Taipei CNA in English 1515 GMT  
25 May 91*

[Text] Brussels, May 24 (CNA)—The European Community (EC) and the Republic of China [ROC] have agreed to extend the period of their textile trade arrangement for 17 months to December 31, 1992.

Sources close to the EC Commission and the Taipei Economic and Cultural Office in Brussels said Friday that the community also agreed to increase 6 percent of textile imports from the ROC next year on the basis of (?1990) trade volume.

The ROC exported 936 million U.S. dollar worth of textile products to the community in 1990.

Except for some specific items restricted by France, the ROC and the 12 EC countries monitor each other's trade volume of textile products periodically in order to allow the ROC's exporters to use in maximum their annual export quotas in accordance with the EC-ROC bilateral arrangement on multifiber trade.

The community has concluded textile trade arrangement with its major trade partners on bilateral basis in line with the 1974 Multifiber Arrangement (MFA) signed between importing and exporting nations.

Textile trade had been excluded from the world free trade system of the General Agreement on Tariffs and Trade as industrialized nations wanted to protect their ailing fiber industries.

**Trade Delegation Leaves for East Europe**

*OW1805213591 Taipei CNA in English 1452 GMT  
18 May 91*

[Text] Taipei, May 18 (CNA)—A 62-member trade delegation from the Republic of China [ROC] left Taipei Saturday for a 20-day tour of five East European countries to tap trade and investment opportunities in the potential markets.

Headed by Vice Economic Affairs Minister P.K. Chiang, the large delegation composed of officials and business executives will visit Poland, Czechoslovakia, Bulgaria, the Soviet Union and Hungary.

Chiang will be the highest-ranking ROC official to visit the Soviet Union in four decades in the absence of diplomatic relations between Taipei and Moscow, he will go to Moscow in his capacity as vice chairman of the semi-official China External Trade Development Council, the ROC's top trade promotion organization.



The Eastern European tour is aimed to develop new markets and explore investment opportunities in that part of the world, Chiang told reporters before departure. "We also hope to introduce technologies and raw materials we need from Eastern Europe."

While in Moscow, the delegation will take part in a seminar on bilateral economic and trade relations. It will also take advantage of the opportunity to present Taiwan's economic development experience to Soviet officials and businessmen.

The delegation is scheduled to return this June.

### **BOFT Announces 'Surge' in Trade With E. Europe**

*OW2405200491 Taipei CNA in English 1543 GMT 24 May 91*

[Text] Taipei, May 24 (CNA)—Two-way trade between the Republic of China [ROC] and Eastern Europe in the first four months of 1991 surged 82.4 percent from a year earlier to 194 million US dollars, the Board of Foreign Trade (BOFT) reported Friday.

According to BOFT statistics, ROC exports to Eastern Europe during the January-April period totaled 81 million US dollars, up 67 percent from the corresponding period of 1990, while imports from that part of the world were valued at 113 million US dollars, a whopping increase of 95.8 percent.

The country suffered a trade deficit of 31 million US dollars.

Poland was the ROC's largest trading partner among East European countries with two-way trade amounting to 82 million US dollars in the four months. It was followed by the Soviet Union, at 58.7 million US dollars; and Hungary, at 26.1 million US dollars. ROC exports to Poland grew an impressive 147 percent during the period, followed by a 91-percent increase in exports to Czechoslovakia, and a 83-percent increase in sales to Hungary.

In terms of import growth, shipments from the Soviet Union took the lead by surging 203 percent. Imports from Poland followed by increasing 118 percent.

### **CSFR To Lower Tariffs on Taiwan Products**

*OW2605190091 Taipei Voice of Free China in English 0200 GMT 26 May 91*

[Text] Vice Economic Minister Chiang Ping-kun who is currently visiting Czechoslovakia stated on Saturday that the Czech Government has decided to immediately begin giving ROC [Republic of China] preferential tariff treatment. He said that in the future when ROC products are imported to Czechoslovakia they will enjoy the same tariffs as other members of the General Agreement on Tariffs and Trade. This means that tariffs will be lower. As a result, this will increase the competitiveness of ROC products in Czechoslovakia.

### **Mission to Poland Expected to Improve Relations**

*OW2605134891 Taipei CHINA POST in English 22 May 91 p 6*

[Text] Relations between the Republic of China [ROC] and Poland are expected to improve quickly, an observer here predicted, citing the progress worked out by an ROC delegation now visiting Poland.

Poland, which does not have diplomatic links with the ROC, has agreed to hold bilateral economic and trade talks in Taipei in July, making it the first East European country to establish such communications channels with Taiwan.

The meeting will be held annually in Taipei and Warsaw in rotation.

Besides, a foreign affairs committee of Poland's Parliament has responded positively to a proposal recommending the exchange of representative offices in each other's territory.

This is the result of a trip to Poland by a 62-member delegation headed by Vice Economic Affairs Minister P.K. Chiang.

The ROC group, which arrived in Warsaw Monday, is evaluating the investment climate there, looking for business opportunities and new import sources.

ROC exports to that country stood at a mere U.S.\$31 million while imports amounted to U.S.\$140 million in 1990. During the first four months, Poland-bound exports grew a significant 147 percent and imports also gained an impressive 118 percent.

The five-leg trip will also take the delegation to Czechoslovakia, Bulgaria, Hungary, and the Soviet Union.

A delegate revealed that the ROC government has decided to set aside U.S.\$100 million as an economic assistance fund for the five East European countries.

Meanwhile, the Taipei German Trade Office has signed a bilateral cooperation agreement with a major trade promotion association in Berlin aiming to help Taiwan firms enter Eastern Europe from the largest industrial city in Berlin.

Berlin received some 20 percent more investments from foreign interests during the first half of 1990 than in previous times. The Office asserted that Berlin is definitely an ideal investment target for Taiwan businessmen.

### **Agriculture Memorandum Signed With France**

*OW2405120191 Taipei CNA in English 0822 GMT 24 May 91*

[Text] Taipei, May 24 (CNA)—A memorandum of understanding on cooperation was signed by the Republic of China's Council of Agriculture (COA) and the French Institut National de la Recherche

Agronomique (INRA) Thursday in which both sides pledged to increase technological exchanges and cooperation in agriculture.

France initiated the signing of the memorandum, an indication that the agricultural technology of the Republic of China [ROC] has high standards, according to COA officials.

COA pointed out that since 1983, INRA has exchanged expertise with COA on duck breeding and genetic studies. COA also sent specialists to France in April for two-week studies on rex rabbit [as received] genetic improvement and gene studies.

The memorandum declared their both sides plan to expand cooperation in crops and fisheries, livestock and horticulture studies in the next five years.

COA said that France leads in agriculture technology, especially in biotechnology; cooperation will help upgrade the development of the ROC agricultural technology.

The signing ceremony was presided over by COA secretary general Tung-Chuang wu and INRA president Pierre Douzou.

#### **Airlines Granted Landing Rights in Turkey**

*OW2505101491 Taipei Voice of Free China  
in English 0200 GMT 23 May 91*

[Text] China Airlines [CAL], the ROC's [Republic of China] flag carrier, has been granted technical landing rights in Turkey. This is according to a report in the Turkish English Daily citing Transportation Ministry resources. The Taipei Economic and Cultural Office in Ankara confirmed that the Turkish Transportation Ministry had informed the office that CAL would be allowed to make technical landings in Istanbul for refueling.

Sources said that China Airlines representative in Turkey has been seeking such rights over the past several years, and finally has convinced Turkish officials. Turkish Airlines airplanes have been permitted to pass through the ROC's aviation zone for years.

A Turkish Airlines spokesman said that while the airlines has a representative office in Taipei, it has no plans to begin flying to Taiwan in the near future. While CAL has been granted technical landing rights, these rights do not include allowing passengers to board or deboard, or to add or take off cargo.

#### **Fishery Cooperation With Philippines Viewed**

##### **Benefits to Manila Noted**

*OW2505172591 Taipei CNA in English 1505 GMT  
25 May 91*

[Text] Taipei, May 25 (CNA)—The Philippines will forfeit major opportunities for economic development if Manila continues to hedge against a fisheries cooperation agreement proposed by the Republic of China

[ROC], according to a FAR EAST NEWS AGENCY report from Manila Saturday, citing a MANILA BULLETIN report.

Meanwhile, the report said, a Filipino diplomat said several Asian countries, also lacking diplomatic ties with Taipei, may have set precedence for the Philippine Government by signing agreements on fisheries, trade, and postal matters with the ROC.

"Labor, ecology, and commerce would be the main beneficiaries of such an agreement," an official of the Philippine Chamber of Commerce and Industry (PCCI) was quoted as saying.

He said the infusion of Taiwan capital and technology would rev up the Philippines' moribund fishing industry, "so long as any agreement contains provisions on the protection of the marine environment and safeguards against undue advantage over Filipino fisherman."

He told the BULLETIN that many PCCI members welcome the chance to engage in joint aquaculture and fisheries venture with the ROC but are waiting for government initiative to create a more conducive investment climate.

ROC officials have had private talks with some PCCI members, assuring them that the best way to halt destructive fishing methods and ensure fair access to marine resources would be through the drafting of formal guidelines, the report said.

The ROC officials also reportedly said that Manila's "one China policy" is not a hindrance to the formulation of the guidelines.

This view was upheld by a member of the Filipino panel in the just concluded fisheries talks with Taiwan.

The panel source said several Asian countries, including Indonesia and Malaysia, have signed investment agreements with Taiwan despite the absence of official recognition.

He noted that at least 15 countries lacking diplomatic ties with Taipei have signed fisheries agreements with it, five of these on a government-to-government basis.

"It does not need to be signed by the top leaders. The signatories could be the government maritime bodies, or the agencies in charge of marine resources," he told MANILA BULLETIN. "What is imperative is that some government recognition must be given to that agreement, to ensure proper implementation."

##### **Agriculture Official Notes Optimism**

*OW2505174991 Taipei CNA in English 1537 GMT  
25 May 91*

[Text] Taipei, May 25 (CNA)—Although the Republic of China [ROC] and the Philippines failed to settle their fishery disputes during the first round of talks in Manila,

the second round of talks in Taipei in early July are expected to produce some results, chief ROC negotiator said Saturday.

Chiu Ying-mao, vice chairman of the Council of Agriculture and head of the ROC delegation to the Manila talks earlier this week, told reporters upon returning from Manila that he was optimistic about the next round of talks scheduled for July 4-10 in Taipei.

The Manila talks, though ended without an agreement, were successful and marked a "good [words indistinct]" to solve the longstanding fishery issue between the two countries, Chiu said.

Through the discussions, he added, the Philippine Government has fully understood Taipei's stance on the issue.

Both sides did not expect the problem to be resolved in a single meeting, Chiu said.

Manila needs more time to study the three proposals presented by Taipei in the two-day meeting because they involve complicated law and practical problems, he noted.

The proposals call for designating sea-lanes off the Philippine island group to minimize conflicts, co-exploiting fishery resources in the overlapping maritime economic zone between the two countries, and working out fishing guidelines for future cooperation.

Chiu also described the talks as a major breakthrough in bilateral relations for high-ranking officials from the two countries had met publicly for the first time since Taipei and Manila suspended their diplomatic relations 18 years ago.



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